UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTIONS 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
Date of report (Date of earliest event reported) February 13, 2024

Entegris, Inc.

(Exact name of registrant as specified in its charter)

Delaware	001-32598	41-1941551
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

129 Concord Road, Billerica, MA	01821
(Address of principal executive offices)	(Zip Code)

(978) 436-6500
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.01 par value per share	ENTG	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On February 13, 2024, Entegris, Inc. (the "Company") issued a press release to announce results for the fourth quarter of 2023. A copy of this press release and supplemental slides are furnished as Exhibit 99.1 and Exhibit 99.2, respectively, attached hereto and are incorporated herein by reference.

The information furnished in this Item 2.02, and in Exhibits 99.1 and 99.2, shall not be deemed “filed” for purposes of the Securities Exchange Act of 1934, as amended, nor shall such information be deemed automatically incorporated by reference into any filing under the Securities Act of 1933, as amended.

Item 7.01. Regulation FD Disclosure.

On February 14, 2024, Bertrand Loy, President, Chief Executive Officer and Chair of the Board of Directors of the Company, and Linda LaGorga, Senior Vice President and Chief Financial Officer of the Company, will provide a brief analyst update via a webcast hosted by the Company at 9:00 a.m. ET. In lieu of a webcast presentation regarding the Company's financial results for its fourth quarter of 2023, the Company has prepared the remarks furnished as Exhibit 99.3 attached hereto.

The information furnished in this Item 7.01, and in Exhibit 99.3, shall not be deemed “filed” for purposes of the Securities Exchange Act of 1934, as amended, nor shall such information be deemed automatically incorporated by reference into any filing under the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, dated February 13, 2024
99.2	Fourth Quarter Earnings Release Presentation Slides, dated February 13, 2024
99.3	Prepared Remarks from Management, dated February 13, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ENTEGRIS, INC.

Dated: February 13, 2024	By:	/s/ Linda LaGorga
	Name:	Linda LaGorga
	Title:	Senior Vice President and Chief Financial Officer

PRESS RELEASE

Bill Seymour
VP of Investor Relations
T + 1 952 556 1844
bill.seymour@entegris.com

Exhibit 99.1

ENTEGRIS REPORTS RESULTS FOR FOURTH QUARTER OF 2023

- *Fourth-quarter net sales of $812 million, decreased 14% from prior year and 9% sequentially*
- *Fourth-quarter net sales increased 2% sequentially (excluding the impact of divestitures)*
- *Fourth-quarter GAAP diluted EPS of $0.25*
- *Fourth-quarter non-GAAP diluted EPS of $0.65*

BILLERICA, Mass., February 13, 2024 - Entegris, Inc. (NASDAQ: ENTG), today reported its financial results for the Company's fourth quarter ended December 31, 2023. Fourth-quarter sales were $812.3 million, a decrease of 14% from the same quarter last year. Fourth-quarter GAAP net income was $38.0 million, or $0.25 income per diluted share, which included $30.0 million of gain on termination of the Alliance Agreement with MacDermid Enthone, $10.4 million of goodwill impairment, $30.5 million of impairment of long-lived assets, $51.0 million of amortization of intangible assets, $7.8 million of integration costs related to the acquisition of CMC Materials and $14.6 million of other net costs. Non-GAAP net income was $97.9 million for the fourth quarter and non-GAAP earnings per diluted share was $0.65.

Bertrand Loy, Entegris' president and chief executive officer, said: "Our unit driven model has displayed strong resilience during the current industry downturn. We closed 2023 with fourth quarter sales and non-GAAP EPS results above our guidance. For the year, we outperformed the market by 6 points, driven in large part by our strong position at the leading-edge technology nodes. In addition, we divested three non-core businesses and used the proceeds and free cash flow to pay off $1.3 billion of debt. We also continued to make significant R&D and capacity investments, which are vital for our long-term growth."

Mr. Loy added: "As we enter 2024, inventories of semiconductors have largely normalized, end demand has stabilized in most segments, and we expect a gradual industry recovery to occur throughout the year. In addition, we expect Entegris will continue to outgrow the market and show leverage in our model."

Mr. Loy concluded: "We remain as optimistic as ever about the long-term growth prospects for the semiconductor industry. The industry is entering a period of unprecedented technology change and device complexity. This means the market is moving toward Entegris. Our core value proposition in materials science, materials purity, and end-to-end solutions has become increasingly enabling and critical for our customers. This will translate into rapidly expanding Entegris content per wafer, strong outperformance and earnings growth for years to come."

Quarterly Financial Results Summary

(in thousands, except percentages and per share data)

GAAP Results	Dec 31, 2023	Dec 31, 2022	Sep 30, 2023
Net sales	$812,291	$946,070	$888,239
Operating income	$101,017	$143,776	$117,061
Operating margin - as a % of net sales	12.4 %	15.2 %	13.2 %
Net income	$37,977	$57,427	$33,212
Diluted earnings per common share	$0.25	$0.38	$0.22
Non-GAAP Results			
Non-GAAP adjusted operating income	$168,268	$219,353	$195,715
Non-GAAP adjusted operating margin - as a % of net sales	20.7 %	23.2 %	22.0 %
Non-GAAP net income	$97,943	$124,451	$103,588
Diluted non-GAAP earnings per common share	$0.65	$0.83	$0.68

First-Quarter Outlook

For the Company's guidance for the first quarter ending March 30, 2024, the Company expects sales of $770 million to $790 million, GAAP net income of $42 million to $49 million and diluted earnings per common share between $0.28 and $0.33. On a non-GAAP basis, the Company expects diluted earnings per common share to range from $0.60 to $0.65, reflecting net income on a non-GAAP basis in the range of $91 million to $98 million. The Company also expects Adjusted EBITDA of approximately 26.5% to 27.5% of sales.

Segment Results

The Company operates in three segments (the Materials Solutions segment resulted from combining the Advanced Planarization Solutions and the Specialty Chemicals and Engineered Materials segments):

Materials Solutions (MS): MS provides advanced consumable materials, such as CMP slurries and pads, deposition materials, process chemistries and gases, formulated cleans, etchants and other specialty materials; that enable our customers' technical roadmaps, improve device performance, lower their total cost of ownership and enhance their yields.

Microcontamination Control (MC): MC offers advanced filtration solutions that improve customers' yield, device reliability and cost; by filtering and purifying critical liquid chemistries and gases used in semiconductor manufacturing processes and other high-technology industries.

Advanced Materials Handling (AMH): AMH develops solutions that improve customers' yields by protecting critical materials during manufacturing, transportation, and storage; including products that monitor, protect, transport and deliver critical liquid chemistries, wafers, and other substrates for a broad set of applications in the semiconductor, life sciences and other high-technology industries.

Fourth-Quarter Results and Analyst Update Webcast

Entegris will host a webcast on its fourth quarter 2023 results and provide a brief analyst update on Wednesday, February 14, 2024 at 9:00 a.m. Eastern Time. Participants can use this link to register and join the live webcast: https://app.webinar.net/OEr1gk1anQW. There will be no phone dial-in numbers for this event.

Management's slide presentation concerning the results for the fourth quarter will be posted on the Investor Relations section of www.entegris.com.

About Entegris

Entegris is a leading supplier of advanced materials and process solutions for the semiconductor and other high-tech industries. Entegris has approximately 8,000 employees throughout its global operations and is ISO 9001 certified. It has manufacturing, customer service and/or research facilities in the United States, Canada, China, France, Germany, Israel, Japan, Malaysia, Singapore, South Korea, and Taiwan. Additional information can be found at www.entegris.com.

Non-GAAP Information

The Company's condensed consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States (GAAP). Proforma net sales, adjusted EBITDA, adjusted gross profit, adjusted segment profit, adjusted operating income, non-GAAP net income, non-GAAP adjusted operating margin and diluted non-GAAP earnings per common share, together with related measures thereof, are considered "non-GAAP financial measures" under the rules and regulations of the Securities and Exchange Commission. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. The Company provides supplemental non-GAAP financial measures to better understand and manage its business and believes these measures provide investors and analysts additional and meaningful information for the assessment of the Company's ongoing results. Management also uses these non-GAAP measures to assist in the evaluation of the performance of its business segments and to make operating decisions. Management believes that the Company's non-GAAP measures help indicate the Company's baseline performance before certain gains, losses or other charges that may not be indicative of the Company's business or future outlook, and that non-GAAP measures offer a more consistent view of business performance. The Company believes the non-GAAP measures aid investors' overall understanding of the Company's results by providing a higher degree of transparency for such items and providing a level of disclosure that will help investors generally understand how management plans, measures and evaluates the Company's business performance. Management believes that the inclusion of non-GAAP measures provides greater consistency in its financial reporting and facilitates investors' understanding of the Company's historical operating trends by providing an additional basis for comparisons to prior periods. The reconciliations of GAAP gross profit to adjusted gross profit, GAAP segment profit to adjusted operating income, GAAP net income to adjusted operating income and adjusted EBITDA, GAAP net income and diluted earnings per common share to non-GAAP net income and diluted non-GAAP earnings per common share and GAAP outlook to non-GAAP outlook are included elsewhere in this release.

Cautionary Note on Forward-Looking Statements

This news release contains "forward-looking statements." The words "believe," "expect," "anticipate," "intend," "estimate," "forecast," "project," "should," "may," "will," "would" or the negative thereof and similar expressions are intended to identify such forward-looking statements. These forward-looking statements may include statements about supply chain matters; inflationary pressures; future period guidance or projections; the Company's performance relative to its markets, including the drivers of such performance; market and technology trends, including the duration and drivers of any growth trends; the development of new products and the success of their introductions; the focus of the Company's ER&D projects; the Company's ability to execute on our business strategies, including with respect to the Company's expansion of its manufacturing presence in Taiwan and in Colorado Springs; the Company's capital allocation strategy, which may be modified at any time for any reason, including share repurchases, dividends, debt repayments and potential acquisitions; the impact of the acquisitions and divestitures the Company has made and commercial partnerships the Company has established, including the acquisition of CMC Materials (now known as CMC Materials LLC) ("CMC Materials"); trends relating to the fluctuation of currency exchange rates; future capital and other expenditures, including estimates thereof; the Company's expected tax rate; the impact, financial or otherwise, of any organizational changes; the impact of accounting pronouncements; quantitative and qualitative disclosures about market risk; and other matters. These forward-looking statements are based on current management expectations and assumptions only as of the date of this news release, are not guarantees of future performance and involve substantial risks and uncertainties that are difficult to predict and that could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. These risks and uncertainties include, but are not limited to, weakening of global and/or regional economic conditions, generally or specifically in the semiconductor industry, which could decrease the demand for the Company's products and solutions; the level of, and obligations associated with, the Company's indebtedness, including the debts incurred in connection with the acquisition of CMC Materials; risks related to the acquisition and integration of CMC Materials, including unanticipated difficulties or expenditures relating thereto, the ability to achieve the anticipated synergies and value-creation contemplated by the acquisition of CMC Materials and the diversion of management time on transaction-related matters; raw material shortages, supply and labor constraints, price increases, inflationary pressures and rising interest rates; operational, political and legal risks of the Company's international operations; the Company's dependence on sole source and limited source suppliers; the Company's ability to meet rapid demand shifts; the Company's ability to continue technological innovation and introduce new products to meet customers' rapidly changing requirements; substantial competition; the Company's concentrated customer base; the Company's ability to identify, complete and integrate acquisitions, joint ventures, divestitures or other similar transactions; the Company’s ability to effectively implement any organizational changes; the Company’s ability to protect and enforce intellectual property rights; the impact of regional and global instabilities, hostilities and geopolitical uncertainty, including, but not limited to, the ongoing conflicts between Ukraine and Russia, between Israel and Hamas and the current conflict in the Red Sea, as well as the global responses thereto; the increasing complexity of certain manufacturing processes; changes in government regulations of the countries in which the Company operates, including the imposition of tariffs, export controls and other trade laws and restrictions and changes to national security and international trade policy, especially as they relate to China; fluctuation of currency exchange rates; fluctuations in the market price of the Company’s stock; and other risk factors and additional information described in the Company’s filings with the U.S. Securities and Exchange Commission (the “SEC”), including under the heading “Risk Factors” in Item 1A of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed on February 23, 2023, and in the Company’s other SEC filings. Except as required under the federal securities laws and the rules and regulations of the SEC, the Company undertakes no obligation to update publicly any forward-looking statements or information contained herein, which speak as of their respective dates.

Entegris, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three months ended		
	Dec 31, 2023	**Dec 31, 2022**	**Sep 30, 2023**
Net sales	$812,291	$946,070	$888,239
Cost of sales	467,611	541,545	521,165
Gross profit	344,680	404,525	367,074
Selling, general and administrative expenses	144,680	139,246	116,051
Engineering, research and development expenses	67,567	68,041	66,810
Amortization of intangible assets	50,984	53,462	51,239
Goodwill impairment	10,432	—	15,913
Gain on termination of Alliance Agreement	(30,000)	—	—
Operating income	101,017	143,776	117,061
Interest expense, net	62,101	82,013	75,594
Other expense (income), net	12,058	(3,447)	10,243
Income before income tax (benefit) expense	26,858	65,210	31,224
Income tax (benefit) expense	(11,264)	7,783	(2,127)
Equity in net loss of affiliates	145	—	139
Net income	$37,977	$57,427	$33,212
Basic earnings per common share:	$0.25	$0.39	$0.22
Diluted earnings per common share:	$0.25	$0.38	$0.22
Weighted average shares outstanding:			
Basic	150,223	149,039	150,127
Diluted	151,331	149,909	151,229

Entegris, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Twelve months ended	
	Dec 31, 2023	Dec 31, 2022
Net sales	$3,523,926	$3,282,033
Cost of sales	2,026,321	1,885,620
Gross profit	1,497,605	1,396,413
Selling, general and administrative expenses	576,194	543,485
Engineering, research and development expenses	277,313	228,994
Amortization of intangible assets	214,477	143,953
Goodwill impairment	115,217	—
Gain on termination of Alliance Agreement	(184,754)	—
Operating income	499,158	479,981
Interest expense, net	301,121	208,975
Other expense, net	25,367	23,926
Income before income tax (benefit) expense	172,670	247,080
Income tax (benefit) expense	(8,413)	38,160
Equity in net loss of affiliates	414	—
Net income	$180,669	$208,920
Basic earnings per common share:	$1.21	$1.47
Diluted earnings per common share:	$1.20	$1.46
Weighted average shares outstanding:		
Basic	149,900	142,294
Diluted	150,945	143,146

Entegris, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands)
(Unaudited)

	Dec 31, 2023	Dec 31, 2022
ASSETS		
Current assets:		
Cash, cash equivalents and restricted cash	$456,929	$563,439
Trade accounts and notes receivable, net	457,052	535,485
Inventories, net	607,051	812,815
Deferred tax charges and refundable income taxes	63,879	47,618
Assets held-for-sale	278,753	246,531
Other current assets	113,663	129,297
Total current assets	1,977,327	2,335,185
Property, plant and equipment, net	1,468,043	1,393,337
Other assets:		
Right-of-use assets	80,399	94,940
Goodwill	3,945,860	4,408,331
Intangible assets, net	1,281,969	1,841,955
Deferred tax assets and other noncurrent tax assets	31,432	28,867
Other	27,561	36,242
Total assets	$8,812,591	$10,138,857
LIABILITIES AND EQUITY		
Current liabilities		
Short-term debt, including current portion of long-term debt	—	151,965
Accounts payable	134,211	172,488
Accrued liabilities	283,158	328,784
Liabilities held-for-sale	19,223	10,637
Income tax payable	77,403	98,057
Total current liabilities	513,995	761,931
Long-term debt, excluding current maturities	4,577,141	5,632,928
Long-term lease liability	68,986	80,716
Other liabilities	243,875	445,282
Shareholders' equity	3,408,594	3,218,000
Total liabilities and equity	$8,812,591	$10,138,857

Entegris, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three months ended		Twelve months ended	
	Dec 31, 2023	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**
Operating activities:				
Net income	$37,977	$57,427	$180,669	$208,920
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	42,558	41,882	172,683	135,371
Amortization	50,984	53,462	214,477	143,953
Share-based compensation expense	8,955	9,033	61,371	66,577
Loss on extinguishment of debt and modification	17,003	1,052	27,865	3,287
Impairment of Goodwill	10,432	—	115,217	—
Gain on termination of Alliance Agreement	(30,000)	—	(184,754)	—
(Gain) Loss on sale of business and held for sale assets	(4,740)	—	23,839	—
Other	(4,841)	(28,678)	(32,374)	32,542
Changes in operating assets and liabilities, net of effects of acquisitions:				
Trade accounts and notes receivable	903	(25,265)	608	(59,643)
Inventories	39,411	(23,000)	102,751	(203,335)
Accounts payable and accrued liabilities	(33,892)	(78,788)	(29,547)	4,519
Income taxes payable, refundable income taxes and noncurrent taxes payable	26,597	37,388	(10,177)	21,751
Other	(10,697)	(12,460)	(13,066)	(1,659)
Net cash provided by operating activities	150,650	32,053	629,562	352,283
Investing activities:				
Acquisition of property and equipment	(128,665)	(147,356)	(456,847)	(466,192)
Acquisition of business, net of cash acquired	—	—	—	(4,474,925)
Proceeds from sale of businesses	680,674	—	814,960	—
Proceeds from termination of Alliance Agreement	21,900	—	191,151	—
Other	1,888	(5,716)	3,807	(4,592)
Net cash provided by (used in) investing activities	575,797	(153,072)	553,071	(4,945,709)
Financing activities:				
Proceeds from revolving credit facility, short-term debt and long-term debt	—	—	217,449	5,416,753
Payments of revolving credit facility, short-term debt and long-term debt	(869,725)	(70,000)	(1,473,675)	(486,000)
Payments for debt issuance costs	—	1	(3,475)	(99,488)
Payments for dividends	(15,019)	(14,896)	(60,221)	(57,309)
Issuance of common stock	13,159	5,404	50,792	16,168
Taxes paid related to net share settlement of equity awards	(568)	(73)	(12,108)	(22,820)
Other	(468)	(242)	(1,391)	(1,101)
Net cash (used in) provided by financing activities	(872,621)	(79,806)	(1,282,629)	4,766,203
Effect of exchange rate changes on cash, cash equivalents and restricted cash	9,083	9,597	(6,514)	(11,903)
(Decrease) increase in cash, cash equivalents and restricted cash	(137,091)	(191,228)	(106,510)	160,874
Cash, cash equivalents and restricted cash at beginning of period	594,020	754,667	563,439	402,565
Cash, cash equivalents and restricted cash at end of period	$456,929	$563,439	$456,929	$563,439

Entegris, Inc. and Subsidiaries
Segment Information
(In thousands)
(Unaudited)

Net sales	Three months ended Dec 31, 2023	Three months ended Dec 31, 2022	Three months ended Sep 30, 2023	Twelve months ended Dec 31, 2023	Twelve months ended Dec 31, 2022
Materials Solutions	$364,965	$458,012	$435,538	$1,689,467	$1,380,208
Microcontamination Control	288,427	284,676	286,217	1,127,555	1,105,996
Advanced Materials Handling	169,191	213,890	180,248	758,648	846,492
Inter-segment elimination	(10,292)	(10,508)	(13,764)	(51,744)	(50,663)
Total net sales	$812,291	$946,070	$888,239	$3,523,926	$3,282,033

Segment profit	Three months ended Dec 31, 2023	Three months ended Dec 31, 2022	Three months ended Sep 30, 2023	Twelve months ended Dec 31, 2023	Twelve months ended Dec 31, 2022
Materials Solutions	$53,204	$71,489	$56,955	$296,375	$219,189
Microcontamination Control	97,558	107,413	101,132	395,348	411,475
Advanced Materials Handling	20,463	48,045	31,642	136,100	183,738
Total segment profit	171,225	226,947	189,729	827,823	814,402
Amortization of intangibles	50,984	53,462	51,239	214,477	143,953
Unallocated expenses	19,224	29,709	21,429	114,188	190,468
Total operating income	$101,017	$143,776	$117,061	$499,158	$479,981

Entegris, Inc. and Subsidiaries
Reconciliation of GAAP Gross Profit to Adjusted Gross Profit
(In thousands)

	Three months ended			Twelve months ended	
	Dec 31, 2023	**Dec 31, 2022**	**Sep 30, 2023**	**Dec 31, 2023**	**Dec 31, 2022**
Net Sales	$812,291	$946,070	$888,239	$3,523,926	$3,282,033
Gross profit-GAAP	$344,680	$404,525	$367,074	$1,497,605	$1,396,413
Adjustments to gross profit:					
Restructuring costs [1]	28	—	789	8,194	—
Charge for fair value mark-up of acquired inventory sold [2]	—	—	—	—	61,932
Adjusted gross profit	$344,708	$404,525	$367,863	$1,505,799	$1,458,345
Gross margin - as a % of net sales	42.4 %	42.8 %	41.3 %	42.5 %	42.5 %
Adjusted gross margin - as a % of net sales	42.4 %	42.8 %	41.4 %	42.7 %	44.4 %

[1] Restructuring charges resulting from cost saving initiatives.

[2] Represents the additional cost of goods sold recognized in connection with the step-up of inventory valuation related to the CMC Materials acquisition.

Entegris, Inc. and Subsidiaries
Reconciliation of GAAP Segment Profit to Adjusted Operating Income
(In thousands)
(Unaudited)

	Three months ended			Twelve months ended	
Adjusted segment profit	Dec 31, 2023	Dec 31, 2022	Sep 30, 2023	Dec 31, 2023	Dec 31, 2022
MS segment profit	$53,204	$71,489	$56,955	$296,375	$219,189
Restructuring costs [1]	1,635	—	519	9,261	—
(Gain) loss from the sale of businesses [2]	(4,740)	(254)	—	23,839	(254)
Goodwill impairment [3]	10,432	—	15,913	115,217	—
Gain on termination of Alliance Agreement [4]	(30,000)	—	—	(184,754)	—
Impairment on long-lived assets [5]	30,464	—	—	30,464	—
Charge for fair value write-up of acquired inventory sold [6]	—	—	—	—	61,932
MS adjusted segment profit	$60,995	$71,235	$73,387	$290,402	$280,867
MC segment profit	$97,558	$107,413	$101,132	$395,348	$411,475
Restructuring costs [1]	173	—	215	3,183	—
MC adjusted segment profit	$97,731	$107,413	$101,347	$398,531	$411,475
AMH segment profit	$20,463	$48,045	$31,642	$136,100	$183,738
Restructuring costs [1]	105	—	467	1,826	—
AMH adjusted segment profit	$20,568	$48,045	$32,109	$137,926	$183,738
Unallocated general and administrative expenses	$19,224	$29,709	$21,429	$114,188	$190,468
Less: unallocated deal and integration costs	(7,810)	(22,369)	(10,301)	(56,526)	(152,238)
Less: unallocated restructuring costs [1]	(388)	—	—	(475)	—
Adjusted unallocated general and administrative expenses	$11,026	$7,340	$11,128	$57,187	$38,230
Total adjusted segment profit	$179,294	$226,693	$206,843	$826,859	$876,080
Less: adjusted unallocated general and administrative expenses	11,026	7,340	11,128	57,187	38,230
Total adjusted operating income	$168,268	$219,353	$195,715	$769,672	$837,850

[1] Restructuring charges resulting from cost saving initiatives.

[2] (Gain) loss from the sale of our businesses.

[3] Non-cash impairment charges associated with goodwill.

[4] Gain on termination of Alliance Agreement with MacDermid Enthone.

[5] Impairment of long-lived assets.

[6] Represents the additional cost of goods sold recognized in connection with the step-up of inventory valuation related to the CMC Materials acquisition.

Entegris, Inc. and Subsidiaries
Reconciliation of GAAP Net Income to Adjusted Operating Income and Adjusted EBITDA
(In thousands)
(Unaudited)

	Three months ended			Twelve months ended	
	Dec 31, 2023	Dec 31, 2022	Sep 30, 2023	Dec 31, 2023	Dec 31, 2022
Net sales	$812,291	$946,070	$888,239	$3,523,926	$3,282,033
Net income	$37,977	$57,427	$33,212	$180,669	$208,920
Net income - as a % of net sales	4.7 %	6.1 %	3.7 %	5.1 %	6.4 %
Adjustments to net income:					
Equity in net loss of affiliates	145	—	139	414	—
Income tax (benefit) expense	(11,264)	7,783	(2,127)	(8,413)	38,160
Interest expense, net	62,101	82,013	75,594	301,121	208,975
Other expense (income), net	12,058	(3,447)	10,243	25,367	23,926
GAAP - Operating income	101,017	143,776	117,061	499,158	479,981
Operating margin - as a % of net sales	12.4 %	15.2 %	13.2 %	14.2 %	14.6 %
Goodwill impairment [1]	10,432	—	15,913	115,217	—
Deal and transaction costs [2]	—	258	—	3,001	39,543
Integration costs:					
Professional fees [3]	4,582	13,723	6,756	36,650	35,422
Severance costs [4]	(395)	2,273	(454)	1,478	6,269
Retention costs [5]	—	457	45	1,687	1,987
Other costs [6]	3,623	2,105	3,953	13,710	7,053
Contractual and non-cash integration costs:					
CMC Materials retention costs [7]	—	3,553	—	—	18,030
Stock-based compensation alignment [8]	—	—	—	—	21,584
Change in control costs [9]	—	—	—	—	22,350
Restructuring costs [10]	2,301	—	1,202	14,745	—
(Gain) loss on sale of businesses [11]	(4,740)	(254)	—	23,839	(254)
Charge for fair value write-up of acquired inventory sold [12]	—	—	—	—	61,932
Gain on termination of Alliance Agreement [13]	(30,000)	—	—	(184,754)	—
Impairment of long-lived assets[14]	30,464	—	—	30,464	—
Amortization of intangible assets [15]	50,984	53,462	51,239	214,477	143,953
Adjusted operating income	168,268	219,353	195,715	769,672	837,850
Adjusted operating margin - as a % of net sales	20.7 %	23.2 %	22.0 %	21.8 %	25.5 %
Depreciation	42,558	41,882	39,631	172,683	135,371
Adjusted EBITDA	$210,826	$261,235	$235,346	$942,355	$973,221
Adjusted EBITDA - as a % of net sales	26.0 %	27.6 %	26.5 %	26.7 %	29.7 %

[1] Non-cash impairment charges associated with goodwill.

[2] Deal and transaction costs associated with CMC Materials acquisition and completed and announced divestitures.

[3] Represents professional and vendor fees recorded in connection with services provided by consultants, accountants, lawyers and other third-party service providers to assist us in integrating CMC Materials into our operations. These fees arise outside of the ordinary course of our continuing operations.

[4] Represents severance charges related to the integration of the CMC Materials acquisition.

[5] Represents retention charges related directly to the CMC Materials acquisition and completed and announced divestitures, and are not part of our normal, recurring cash operating expenses.

[6] Represents other employee related costs and other costs incurred relating to the CMC Materials acquisition and the completed and announced divestitures. These costs arise outside of the ordinary course of our continuing operations.

[7] Represents non-recurring costs associated with the CMC Materials retention program that was agreed upon and set forth in the definitive acquisition agreement.

[8] Represents the non-cash incremental expense associated with adopting retirement vesting obligations on Entegris equity awards, similar to those of CMC Materials equity awards.

[9] Relates to the change in control agreements that were in place with management of CMC Materials prior to the acquisition and the associated expense post-acquisition.

[10] Restructuring charges resulting from cost saving initiatives.

[11] (Gain) loss from the sale of our businesses.

[12] Represents the additional cost of goods sold recognized in connection with the step-up of inventory valuation related to the CMC Materials acquisition.

[13] Gain on termination of the Alliance Agreement with MacDermid Enthone.

[14] Impairment of long-lived assets.

[15] Non-cash amortization expense associated with intangibles acquired in acquisitions.

Entegris, Inc. and Subsidiaries
Reconciliation of GAAP Net Income and Diluted Earnings per Common Share to Non-GAAP Net Income and Diluted Non-GAAP Earnings per Common Share
(In thousands, except per share data)(Unaudited)

	Three months ended			Twelve months ended	
	Dec 31, 2023	Dec 31, 2022	Sep 30, 2023	Dec 31, 2023	Dec 31, 2022
GAAP net income	$37,977	$57,427	$33,212	$180,669	$208,920
Adjustments to net income:					
Goodwill impairment [1]	10,432	—	15,913	115,217	—
Deal and transaction costs [2]	—	258	—	3,001	39,543
Integration costs:					
Professional fees [3]	4,582	13,723	6,756	36,650	35,422
Severance costs [4]	(395)	2,273	(454)	1,478	6,269
Retention costs [5]	—	457	45	1,687	1,987
Other costs [6]	3,623	2,105	3,953	13,710	7,053
Contractual and non-cash integration costs:					
CMC Materials retention costs [7]	—	3,553	—	—	18,030
Stock-based compensation alignment [8]	—	—	—	—	21,584
Change in control costs [9]	—	—	—	—	22,350
Restructuring costs [10]	2,301	—	1,202	14,745	—
Loss on extinguishment of debt and modification [11]	17,003	1,052	4,532	29,896	3,287
(Gain) loss on sale of businesses [12]	(4,740)	(254)	—	23,839	(254)
Gain on termination of Alliance Agreement [13]	(30,000)	—	—	(184,754)	—
Infineum termination fee, net [14]	—	—	—	(10,877)	—
Charge for fair value write-up of acquired inventory sold [15]	—	—	—	—	61,932
Interest expense, net [16]	—	—	—	—	29,822
Impairment of long-lived assets [17]	30,464	—	—	30,464	—
Amortization of intangible assets [18]	50,984	53,462	51,239	214,477	143,953
Tax effect of adjustments to net income and discrete tax items [19]	(24,288)	(9,605)	(12,810)	(71,284)	(65,728)
Non-GAAP net income	$97,943	$124,451	$103,588	$398,918	$534,170
Diluted earnings per common share	$0.25	$0.38	$0.22	$1.20	$1.46
Effect of adjustments to net income	$0.39	$0.45	$0.46	$1.45	$2.27
Diluted non-GAAP earnings per common share	$0.65	$0.83	$0.68	$2.64	$3.73
Diluted weighted averages shares outstanding	151,331	149,909	151,229	150,945	143,146

[1] Non-cash impairment charges associated with goodwill.

[2] Deal and transaction costs associated with the CMC Materials acquisition and completed and announced divestitures.

[3] Represents professional and vendor fees recorded in connection with services provided by consultants, accountants, lawyers and other third-party service providers to assist us in integrating CMC Materials into our operations. These fees arise outside of the ordinary course of our continuing operations.

[4] Represents severance charges related to the integration of CMC Materials.

[5] Represents retention charges related directly to the CMC Materials acquisition and completed and announced divestitures, and are not part of our normal, recurring cash operating expenses.

[6] Represents other employee-related costs and other costs incurred relating to the CMC Materials acquisition and completed and announced divestitures. These costs arise outside of the ordinary course of our continuing operations.

[7] Represents non-recurring costs associated with the CMC retention program that was agreed upon and set forth in the definitive acquisition agreement.

[8] Represents the non-cash incremental expense associated with adopting retirement vesting obligations on Entegris equity awards, similar to those of CMC Materials equity awards.

[9] Relates to the change in control agreements that were in place with management of CMC Materials prior to the acquisition and the associated expense post-acquisition.

[10] Restructuring charges resulting from cost saving initiatives.

[11] Non-recurring loss on extinguishment of debt and modification of our debt.

[12] (Gain) loss from the sale of our businesses.

[13] Gain on termination of the Alliance Agreement with MacDermid Enthone.

[14] Non-recurring gain from the termination fee with Infineum.

[15] Represents the additional cost of goods sold recognized in connection with the step-up of inventory valuation related to the CMC Materials acquisition.

[16] Non-recurring interest costs related to the financing of the CMC Materials acquisition.

[17] Impairment of long-lived assets.

[18] Non-cash amortization expense associated with intangibles acquired in acquisitions.

[19] The tax effect of pre-tax adjustments to net income was calculated using the applicable marginal tax rate for each respective year.

Entegris, Inc. and Subsidiaries
Reconciliation of reported Net Sales to Adjusted Net Sales (excluding divestitures) Non-GAAP
(In thousands)
(Unaudited)

	Three months ended	
	Dec 31, 2023	**Sep 30, 2023**
Net sales	$812,291	$888,239
Less: Divestitures [1]	(1,264)	(93,170)
Adjusted Net sales (excluding divestitures) Non-GAAP	$811,027	$795,069

[1] Adjusted for the quarterly impact of net sales from divestitures of EC and termination of Alliance Agreement.

Entegris, Inc. and Subsidiaries
Reconciliation of GAAP Outlook to Non-GAAP Outlook
(In millions, except per share data)
(Unaudited)

Reconciliation GAAP Operating Margin to non-GAAP Operating Margin and Adjusted EBITDA Margin	**First-Quarter Outlook March 30, 2024**
Net sales	$770 - $790
GAAP - Operating income	$101 - $115
Operating margin - as a % of net sales	13% - 15%
Deal, transaction and integration costs	8
Amortization of intangible assets	51
Adjusted operating income	$160 - $174
Adjusted operating margin - as a % of net sales	21% - 22%
Depreciation	44
Adjusted EBITDA	$204 - $217
Adjusted EBITDA - as a % of net sales	26.5% - 27.5%

Reconciliation GAAP net income to non-GAAP net income	**First-Quarter Outlook March 30, 2024**
GAAP net income	$42 -$49
Adjustments to net income:	
Deal, transaction and integration costs	8
Amortization of intangible assets	51
Income tax effect	(10)
Non-GAAP net income	$91 - $98

Reconciliation GAAP diluted earnings per share to non-GAAP diluted earnings per share	**First-Quarter Outlook March 30, 2024**
Diluted earnings per common share	$0.28 - $0.33
Adjustments to diluted earnings per common share:	
Deal, transaction and integration costs	0.05
Amortization of intangible assets	0.34
Income tax effect	(0.07)
Diluted non-GAAP earnings per common share	$0.60 - $0.65

END

Earnings Summary: Fourth Quarter 2023

February 13, 2024

Exhibit 99.2

Safe Harbor

This news release contains “forward-looking statements.” The words “believe,” “expect,” “anticipate,” “intend,” “estimate,” “forecast,” “project,” “should,” “may,” “will,” “would” or the negative thereof and similar expressions are intended to identify such forward-looking statements. These forward-looking statements may include statements about supply chain matters; inflationary pressures; future period guidance or projections; the Company’s performance relative to its markets, including the drivers of such performance; market and technology trends, including the duration and drivers of any growth trends; the development of new products and the success of their introductions; the focus of the Company’s ER&D projects; the Company’s ability to execute on our business strategies, including with respect to the Company’s expansion of its manufacturing presence in Taiwan and in Colorado Springs; the Company’s capital allocation strategy, which may be modified at any time for any reason, including share repurchases, dividends, debt repayments and potential acquisitions; the impact of the acquisitions and divestitures the Company has made and commercial partnerships the Company has established, including the acquisition of CMC Materials (now known as CMC Materials LLC) (“CMC Materials”); trends relating to the fluctuation of currency exchange rates; future capital and other expenditures, including estimates thereof; the Company’s expected tax rate; the impact, financial or otherwise, of any organizational changes; the impact of accounting pronouncements; quantitative and qualitative disclosures about market risk; and other matters. These forward-looking statements are based on current management expectations and assumptions only as of the date of this news release, are not guarantees of future performance and involve substantial risks and uncertainties that are difficult to predict and that could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. These risks and uncertainties include, but are not limited to, weakening of global and/or regional economic conditions, generally or specifically in the semiconductor industry, which could decrease the demand for the Company’s products and solutions; the level of, and obligations associated with, the Company’s indebtedness, including the debts incurred in connection with the acquisition of CMC Materials; risks related to the acquisition and integration of CMC Materials, including unanticipated difficulties or expenditures relating thereto, the ability to achieve the anticipated synergies and value-creation contemplated by the acquisition of CMC Materials and the diversion of management time on transaction-related matters; raw material shortages, supply and labor constraints, price increases, inflationary pressures and rising interest rates; operational, political and legal risks of the Company’s international operations; the Company’s dependence on sole source and limited source suppliers; the Company’s ability to meet rapid demand shifts; the Company’s ability to continue technological innovation and introduce new products to meet customers’ rapidly changing requirements; substantial competition; the Company’s concentrated customer base; the Company’s ability to identify, complete and integrate acquisitions, joint ventures, divestitures or other similar transactions; the Company’s ability to effectively implement any organizational changes; the Company’s ability to protect and enforce intellectual property rights; the impact of regional and global instabilities, hostilities and geopolitical uncertainty, including, but not limited to, the ongoing conflicts between Ukraine and Russia, between Israel and Hamas and the current conflict in the Red Sea, as well as the global responses thereto; the increasing complexity of certain manufacturing processes; changes in government regulations of the countries in which the Company operates, including the imposition of tariffs, export controls and other trade laws and restrictions and changes to national security and international trade policy, especially as they relate to China; fluctuation of currency exchange rates; fluctuations in the market price of the Company’s stock; and other risk factors and additional information described in the Company’s filings with the U.S. Securities and Exchange Commission (the “SEC”), including under the heading “Risk Factors” in Item 1A of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed on February 23, 2023, and in the Company’s other SEC filings. Except as required under the federal securities laws and the rules and regulations of the SEC, the Company undertakes no obligation to update publicly any forward-looking statements or information contained herein, which speak as of their respective dates.

This presentation contains references to “Adjusted EBITDA,” “Adjusted EBITDA – as a % of Net Sales,” “Adjusted Operating Income,” “Adjusted Operating Margin,” “Adjusted Gross Profit,” “Adjusted Gross Margin – as a % of Net Sales,” “Adjusted Segment Profit,” “Adjusted Segment Profit Margin,” “Non-GAAP Operating Expenses,” “Non-GAAP Tax Rate,” “Non-GAAP Net Income,” “Diluted Non-GAAP Earnings per Common Share,” “Free Cash Flow,” and other measures that are not presented in accordance GAAP. The non-GAAP financial measures should not be considered in isolation or as a substitute for GAAP financial measures but should instead be read in conjunction with the GAAP financial measures. Further information with respect to and reconciliations of such measures to the most directly comparable GAAP measure can be found attached to this presentation.

Summary – Consolidated Statement of Operations

GAAP

$ in millions, except per share data	4Q23	4Q22	3Q23	4Q23 over 4Q22	4Q23 over 3Q23
Net Sales	$812.3	$946.1	$888.2	(14.1%)	(8.5%)
Gross Margin	42.4%	42.8%	41.3%		
Operating Expenses	$243.7	$260.7	$250.0	(6.5%)	(2.5%)
Operating Income	$101.0	$143.8	$117.1	(29.8%)	(13.7%)
Operating Margin	12.4%	15.2%	13.2%		
Tax Rate	(41.9%)	11.9%	(6.8%)		
Net Income	$38.0	$57.4	$33.2	(33.8%)	14.5%
Diluted Earnings Per Common Share	$0.25	$0.38	$0.22	(34.2%)	13.6%

Summary – Consolidated Statement of Operations

Non-GAAP[1]

$ in millions, except per share data	4Q23	4Q22	3Q23	4Q23 over 4Q22	4Q23 over 3Q23
Net Sales	$812.3	$946.1	$888.2	(14.1%)	(8.5%)
Adjusted Gross Margin – as a % of Net Sales	42.4%	42.8%	41.4%		
Non-GAAP Operating Expenses[2]	$176.4	$185.2	$172.1	(4.8%)	2.5%
Adjusted Operating Income	$168.3	$219.4	$195.7	(23.3%)	(14.0%)
Adjusted Operating Margin	20.7%	23.2%	22.0%		
Non-GAAP Tax Rate[3]	11.7%	12.3%	9.3%		
Non-GAAP Net Income[4]	$97.9	$124.5	$103.6	(21.4%)	(5.5%)
Diluted Non-GAAP Earnings Per Common Share	$0.65	$0.83	$0.68	(21.7%)	(4.4%)

1. See GAAP to non-GAAP reconciliation tables in the appendix of this presentation.
2. Excludes amortization expense, deal and transaction costs, integration costs, goodwill impairment, restructuring costs, impairment of long-lived assets and loss on sale of businesses.
3. Reflects the tax effect of non-GAAP adjustments and discrete tax items to GAAP taxes.
4. Excludes the items noted in footnotes 2 and 3, interest expense, net, Infineum termination fee, loss on extinguishment of debt and modification, and the tax effect of non-GAAP adjustments.

Entegris

Summary – Consolidated Statement of Operations

GAAP

$ in millions, except per share data	Year ended December 31, 2023	Year ended December 31, 2022	Year-over-Year
Net Sales	$3,523.9	$3,282.0	7.4%
Gross Margin	42.5%	42.5%	
Operating Expenses	$998.4	$916.4	8.9%
Operating Income	$499.2	$480.0	4.0%
Operating Margin	14.2%	14.6%	
Tax Rate	(4.9%)	15.4%	
Net Income	$180.7	$208.9	(13.5%)
Diluted Earnings Per Common Share	$1.20	$1.46	(17.8%)

Summary – Consolidated Statement of Operations

Non-GAAP[1]

$ in millions, except per share data	Year ended December 31, 2023	Year ended December 31, 2022	Year-over-Year
Net Sales	$3,523.9	$3,282.0	7.4%
Adjusted Gross Margin – as a % of Net Sales[2]	42.7%	44.4%	
Non-GAAP Operating Expenses[3]	$736.1	$620.5	18.6%
Adjusted Operating Income	$769.7	$837.9	(8.1%)
Adjusted Operating Margin	21.8%	25.5%	
Non-GAAP Tax Rate[4]	13.6%	16.3%	
Non-GAAP Net Income[5]	$398.9	$534.2	(25.3%)
Diluted Non-GAAP Earnings Per Common Share	$2.64	$3.73	(29.2%)

1. See GAAP to Non-GAAP reconciliation tables in the appendix of this presentation.
2. Excludes charges for fair value write-up of acquired inventory sold, integration costs and severance and restructuring costs.
3. Excludes amortization expense, deal and transaction costs, integration costs, goodwill impairment, restructuring costs, impairment of long-lived assets and loss on sale of businesses.
4. Reflects the tax effect of non-GAAP adjustments and discrete tax items to GAAP taxes.
5. Excludes the items noted in footnotes 2 and 3, interest expense, net, Infineum termination fee, loss on extinguishment of debt and modification, and the tax effect of non-GAAP adjustments.

Materials Solutions (MS)

4Q23 highlights

$ in millions	4Q23	4Q22	3Q23	4Q23 over 4Q22	4Q23 over 3Q23
Net Sales[1]	$365.0	$458.0	$435.5	(20.3%)	(16.2%)
Segment Profit[1]	$53.2	$71.5	$57.0	(25.6%)	(6.7%)
Segment Profit Margin	14.6%	15.6%	13.1%		
Adj. Segment Profit[1]	$61.0	$71.2	$73.4	(14.3%)	(16.9%)
Adj. Segment Profit Margin[1]	16.7%	15.5%	16.9%		

Sales increased (SEQ) 6% (excluding the divestitures of Electronic Chemicals and the sale of the business to Element Solutions) driven primarily by higher sales of CMP slurries & pads and Advanced Deposition Materials.

1. See GAAP to non-GAAP reconciliation tables in the appendix of this presentation.

Entegris

Microcontamination Control (MC)

4Q23 highlights

$ in millions	4Q23	4Q22	3Q23	4Q23 over 4Q22	4Q23 over 3Q23
Net Sales	$288.4	$284.7	$286.2	1.3%	0.8%
Segment Profit	$97.6	$107.4	$101.1	(9.1%)	(3.5%)
Segment Profit Margin	33.8%	37.7%	35.3%		
Adj. Segment Profit[1]	$97.7	$107.4	$101.3	(9.0%)	(3.6%)
Adj. Segment Profit Margin[1]	33.9%	37.7%	35.4%		

Sales increase (SEQ) was by driven by continuing strength in liquid filtration and in gas purification.

—

Segment profit margin (adjusted) decline (SEQ) was primarily driven by the impact of inventory reductions and the anticipated inefficiencies related to the ramp of our facility in Taiwan.

1. See GAAP to non-GAAP reconciliation tables in the appendix of this presentation.

Entegris

Advanced Materials Handling (AMH)

4Q23 highlights

$ in millions	4Q23	4Q22	3Q23	4Q23 over 4Q22	4Q23 over 3Q23
Net Sales	$169.2	$213.9	$180.2	(20.9%)	(6.1%)
Segment Profit	$20.5	$48.0	$31.6	(57.3%)	(35.1%)
Segment Profit Margin	12.1%	22.4%	17.5%		
Adj. Segment Profit[1]	$20.6	$48.0	$32.1	(57.1%)	(35.8%)
Adj. Segment Profit Margin[1]	12.2%	22.4%	17.8%		

Sales decline (SEQ) was driven primarily by lower sales of sensing and control solutions and fluid handling products.

—

Segment profit margin (adjusted) decline (SEQ) was primarily driven by lower sales and higher variable compensation expenses.

1. See GAAP to non-GAAP reconciliation tables in the appendix of this presentation.

Entegris

Summary – Balance Sheet Items

	4Q23		4Q22		3Q23	
$ in millions	$ Amount	% Total	$ Amount	% Total	$ Amount	% Total
Cash, Cash Equivalents, and Restricted Cash	$456.9	5.2%	$563.4	5.6%	$594.0	6.0%
Accounts Receivable, net	$457.1	5.2%	$535.5	5.3%	$463.1	4.7%
Inventories	$607.1	6.9%	$812.8	8.0%	$662.2	6.7%
Net PP&E	$1,468.0	16.7%	$1,393.3	13.7%	$1,406.4	14.3%
Total Assets	$8,812.6		$10,138.9		$9,824.6	
Current Liabilities	$514.0	5.8%	$761.9	7.5%	$683.2	7.0%
Long-term Debt, Excluding Current Maturities	$4,577.1	51.9%	$5,632.9	55.6%	$5,425.5	55.2%
Total Liabilities	$5,404.0	61.3%	$6,920.9	68.3%	$6,456.3	65.7%
Total Shareholders' Equity	$3,408.6	38.7%	$3,218.0	31.7%	$3,368.3	34.3%

Cash Flows

$ in millions	4Q23	4Q22	3Q23
Beginning Cash Balance	$594.0	$754.7	$567.0
Cash provided by operating activities	150.7	32.1	200.0
Capital expenditures	(128.7)	(147.4)	(78.1)
Proceeds from revolving credit facilities and debt	—	—	100.3
Payments on revolving credit facilities and debt	(869.7)	(70.0)	(175.3)
Proceeds from sale of businesses	680.7	—	—
Payments for dividends	(15.0)	(14.9)	(15.1)
Proceeds from termination of alliance agreement	21.9	—	—
Other investing activities	1.9	(5.7)	1.6
Other financing activities	12.1	5.1	(1.4)
Effect of exchange rates	9.1	9.6	(5.0)
Ending Cash Balance	$456.9	$563.4	$594.0
Free Cash Flow[1]	$22.0	($115.3)	$121.9
Adjusted EBITDA[2]	$210.8	$261.2	$235.3
Adjusted EBITDA – as a % of net sales[2]	26.0%	27.6%	26.5%

1. Equals cash from operations less capital expenditures.
2. See GAAP to non-GAAP reconciliation tables in the appendix of this presentation.

Outlook

GAAP

$ in millions, except per share data	1Q24 Guidance	4Q23 Actual	3Q23 Actual
Net Sales	$770 – $790	$812.3	$888.2
Operating Expenses	$230 – $233	$243.7	$250.0
Net Income	$42 – $49	$38.0	$33.2
Diluted Earnings per Common Share	$0.28 – $0.33	$0.25	$0.22
Operating Margin	13% – 15%	12.4%	13.2%

Non-GAAP

$ in millions, except per share data	1Q24 Guidance	4Q23 Actual	3Q23 Actual
Net Sales	$770 – $790	$812.3	$888.2
Non-GAAP Operating Expenses[1]	$171 – $174	$176.4	$172.1
Non-GAAP Net Income[1]	$91 – $98	$97.9	$103.6
Diluted non-GAAP Earnings per Common Share[1]	$0.60 – $0.65	$0.65	$0.68
Adjusted EBITDA Margin	26.5% – 27.5%	26.0%	26.5%

1. See GAAP to non-GAAP reconciliation tables in the appendix of this presentation.

Entegris

Appendix

Entegris

Summary – Consolidated Statement of Operations – Proforma[1] (Includes CMC Materials results)

$ in millions, except per share data	1Q22	2Q22	3Q22	4Q22	FY2022	1Q23	2Q23	3Q23	4Q23	FY2023
Net Sales	$969.1	$1,011.9	$993.8	$946.1	$3,920.9	$922.4	$901.0	$888.2	$812.3	$3,523.9
Gross Margin	45.2%	42.4%	37.4%	42.8%	41.9%	43.5%	42.6%	41.3%	42.4%	42.5%
Operating Expenses	$218.2	$227.0	$356.8	$260.7	$1,062.6	$388.2	$116.6	$250.0	$243.7	$998.4
Operating Income	$219.9	$201.9	$14.9	$143.8	$580.5	$13.5	$267.7	$117.1	$101.0	$499.2
Operating Margin	22.7%	19.9%	1.5%	15.2%	14.8%	1.5%	29.7%	13.2%	12.4%	14.2%
EBITDA	$289.2	$271.3	$125.4	$239.1	$925.0	$117.9	$366.0	$207.9	$194.6	$886.4
Tax Rate	16.1%	24.8%	8.7%	11.9%	21.5%	(32.2%)	(9.1%)	(6.8%)	(41.9%)	(4.9%)
Net Income (Loss)	$160.3	$140.1	($73.7)	$57.4	$284.1	($88.2)	$197.6	$33.2	$38.0	$180.7
Diluted Earnings (Loss) Per Common Share	$1.06	$0.93	($0.50)	$0.38	$1.85	($0.59)	$1.31	$0.22	$0.25	$1.20

1 The above pro forma results include the addition of CMC Materials Inc.'s (now known as CMC Materials LLC) ("CMC Materials") financials recorded prior to the consummation of the merger with the Company on July 6, 2022 to the Company's reported financials and are provided as a complement to, and should be read in conjunction with, the consolidated financial statements to better facilitate the assessment and measurement of the Company's operating performance. Intercompany sales between the Company and CMC Materials have been eliminated. No other adjustments have been included. As a result of displaying amounts in millions, rounding differences may exist in the tables in this section.

Entegris

Summary – Consolidated Statement of Operations (Non-GAAP) – Proforma[1] (Includes CMC Materials results)

$ in millions, except per share data	1Q22	2Q22	3Q22	4Q22	FY2022	1Q23	2Q23	3Q23	4Q23	FY2023
Net Sales[2]	$958.2	$1,011.7	$993.8	$946.1	$3,909.8	$922.4	$901.0	$888.2	$812.3	$3,523.9
Adjusted Gross Margin – as a % of Net Sales[3]	44.5%	42.0%	43.6%	42.8%	43.2%	44.3%	42.6%	41.4%	42.4%	42.7%
Non-GAAP Operating Expenses[4]	$177.4	$178.8	$180.4	$185.1	$721.7	$204.3	$183.2	$172.1	$176.4	$736.1
Adjusted Operating Income	$248.8	$245.8	$253.2	$219.4	$967.2	$204.8	$200.9	$195.7	$168.3	$769.7
Adjusted Operating Margin	26.0%	24.3%	25.5%	23.2%	24.7%	22.2%	22.3%	22.0%	20.7%	21.8%
Adjusted EBITDA	$296.6	$294.0	$298.4	$261.3	$1,150.3	$251.5	$244.6	$235.3	$210.8	$942.4
Non-GAAP Tax Rate[5]	15.3%	22.9%	21.2%	12.3%	18.1%	16.9%	16.3%	9.3%	11.7%	13.6%
Non-GAAP Net Income[6]	$137.6	$120.0	$127.8	$124.5	$509.9	$97.8	$99.6	$103.6	$97.9	$398.9
Diluted Non-GAAP Earnings Per Common Share	$0.91	$0.80	$0.85	$0.83	$3.39	$0.65	$0.66	$0.68	$0.65	$2.64

1. See Proforma to non-GAAP Proforma reconciliation tables in the appendix of this presentation.
2. The adjustment relates to removal of net sales related to CMC Materials' wood treatment business. See Proforma reconciliation tables in the appendix.
3. 3Q22 excludes charges for fair value write-up of acquired inventory sold, wood treatment and incremental depreciation expense.
4. Excludes amortization and incremental depreciation expense, deal costs, integration costs, goodwill impairment, restructuring cost, impairment of long-lived assets and loss on sale of businesses.
5. Reflects the tax effect of non-GAAP adjustments and discrete tax items to GAAP taxes.
6. Excludes the items noted in footnotes 2 and 3, interest expense, net, Infineum termination fee, loss on extinguishment of debt and modification, and the tax effect of non-GAAP adjustments. As a result of displaying amounts in millions, rounding differences may exist in the tables in this section.

Entegris

Segment Financials Proforma (Includes CMC Materials Results) Unaudited[1,2]

$ in millions	1Q22	2Q22	3Q22	4Q22	FY2022	1Q23	2Q23	3Q23	Q423	FY2023
Sales:										
MS	$520.5	$530.7	$518.1	$458.0	$2,027.3	$448.3	$440.7	$435.5	$365.0	$1,689.5
MC	266.6	274.1	280.6	284.7	1,106.0	269.3	283.6	286.2	288.4	1,127.5
AMH	198.1	224.1	210.4	213.9	846.5	218.9	190.3	180.2	169.2	758.6
Inter-segment elimination	(16.1)	(17.0)	(15.3)	(10.5)	(58.9)	(14.1)	(13.6)	(13.8)	(10.3)	(51.7)
Total Sales	$969.1	$1,011.9	$993.8	$946.1	$3,920.9	$922.4	$901.0	$888.2	$812.3	$3,523.9
MS	$141.1	$123.0	$53.1	$71.5	$388.7	($29.5)	$215.7	$57.0	$53.2	$296.4
Depreciation[3]	(7.0)	(7.0)	—	—	(14.0)	—	—	—	—	—
FV Step-up[4]	—	—	61.9	—	61.9	—	—	—	—	—
MS Segment Profit adjusted	134.1	116.0	115.0	71.5	436.6	(29.5)	215.7	57.0	53.2	296.4
MC	98.6	100.1	105.3	107.4	411.4	96.0	100.7	101.1	97.6	395.3
AMH	46.7	46.9	42.1	48.0	183.7	48.2	35.8	31.6	20.5	136.1
Total Segment Profit	$279.4	$263.0	$262.4	$226.9	$1,031.7	$114.7	$352.2	$189.7	$171.3	$827.8
Segment Profit Margin:										
MS	25.8%	21.9%	22.2%	15.6%	21.5%	(6.6%)	49.0%	13.1%	14.6%	17.5%
MC	37.0%	36.5%	37.5%	37.7%	37.2%	35.6%	35.5%	35.3%	33.8%	35.1%
AMH	23.6%	20.9%	20.0%	22.4%	21.7%	22.0%	18.8%	17.5%	12.1%	17.9%
Segment Profit Margin	28.8%	26.0%	26.4%	24.0%	26.3%	12.4%	39.1%	21.4%	21.1%	23.5%

1. During the three months ended September 30, 2023, the Company realigned its financial reporting structure reflecting management and organizational changes. The Company will report its financial performance based on three reportable segments: Materials Solutions (MS), Microcontamination Control (MC) and Advanced Material Handling (AMH). The following prior year information has been recast to reflect this realignment.
2. The above pro forma results include the addition of CMC Materials' net sales and segment profit amounts recorded prior to the consummation of the merger with the Company on July 6, 2022 to the Company's reported GAAP net sales and segment profit amounts related to businesses that were transferred to the above business segments after the effectiveness of the merger and are provided as a complement to, and should be read in conjunction with, the condensed financial statements to better facilitate the assessment and measurement of the Company's operating performance. Intercompany sales between the Company and CMC Materials have been eliminated, see table below.
3. Represents the preliminary pro forma adjustment to recognize changes to straight-line depreciation expense resulting from the fair value adjustments to acquired property, plant, and equipment. The preliminary fair value of the property, plant and equipment may not represent the actual value of the property, plant and equipment when the Merger is completed resulting in a potential difference in straight-line depreciation expense, and that difference may be material.
4. Represents the additional cost of goods sold recognized in connection with the step-up of inventory valuation. Entegris will recognize the increased value of inventory in cost of sales as the inventory is sold, which for purposes of these pro forma presentation is assumed to occur within the first quarter of 2021 based on inventory turns and is non-recurring in nature. As a result of displaying amounts in millions, rounding differences may exist in the tables in this section.

Entegris

Segment Financials Proforma Non-GAAP (Includes CMC Materials Results) Unaudited[1,2]

$ in millions	1Q22	2Q22	3Q22	4Q22	FY2022	1Q23	2Q23	3Q23	Q423	FY2023
Sales:										
MS [3]	$509.6	$530.5	$518.1	$458.0	$2,016.2	$448.3	$440.7	$435.5	$365.0	$1,689.5
MC	266.6	274.1	280.6	284.7	1,106.0	269.3	283.6	286.2	288.4	1,127.5
AMH	198.1	224.1	210.4	213.9	846.5	218.9	190.3	180.2	169.2	758.6
Inter-segment elimination	(16.1)	(17.0)	(15.3)	(10.5)	(58.9)	(14.1)	(13.6)	(13.8)	(10.3)	(51.7)
Total Sales	$958.2	$1,011.7	$993.8	$946.1	$3,909.8	$922.4	$901.0	$888.2	$812.3	$3,523.9
Adjusted Segment Profit:										
MS	$123.4	$116.3	$115.0	$71.2	$425.9	$80.1	$75.8	$73.4	$61.0	$290.4
MC	98.6	100.1	105.3	107.4	411.4	98.8	100.7	101.3	97.7	398.5
AMH	46.7	46.9	42.1	48.0	183.7	49.4	35.8	32.1	20.6	137.9
Total Adjusted Segment Profit	$268.7	$263.3	$262.4	$226.6	$1,021.0	$228.3	$212.3	$206.8	$179.3	$826.8
Adjusted Segment Profit Margin:										
MS	24.2%	21.9%	22.2%	15.5%	21.1%	17.9%	17.2%	16.9%	16.7%	17.2%
MC	37.0%	36.5%	37.5%	37.7%	37.2%	36.7%	35.5%	35.4%	33.9%	35.3%
AMH	23.6%	20.9%	20.0%	22.4%	21.7%	22.6%	18.8%	17.8%	12.2%	18.2%
Adjusted Segment Profit Margin	28.0%	26.0%	26.4%	24.0%	26.1%	24.8%	23.6%	23.3%	22.1%	23.5%

1. During the three months ended September 30, 2023, the Company realigned its financial reporting structure reflecting management and organizational changes. The Company will report its financial performance based on three reportable segments: Materials Solutions (MS), Microcontamination Control (MC) and Advanced Material Handling (AMH). The following prior year information has been recast to reflect this realignment
2. The above pro forma results include the addition of CMC Materials' net sales and segment profit amounts recorded prior to the consummation of the merger with the Company on July 6, 2022 to the Company's reported GAAP net sales and segment profit amounts related to businesses that were transferred to the above business segments after the effectiveness of the merger and are provided as a complement to, and should be read in conjunction with, the condensed financial statements to better facilitate the assessment and measurement of the Company's operating performance. Intercompany sales between the Company and CMC Materials have been eliminated, see table below.
3. The adjustment relates to removal of net sales related to CMC Materials' wood treatment business. See Proforma reconciliation tables in the appendix. As a result of displaying amounts in millions, rounding differences may exist in the tables in this section.

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Reconciliation of GAAP Gross Profit to Adjusted Gross Profit

	Three months ended			Twelve months ended	
$ in millions	December 31, 2023	December 31, 2022	September 30, 2023	December 31, 2023	December 31, 2022
Net sales	$812.3	$946.1	$888.2	$3,523.9	$3,282.0
Gross profit-GAAP	$344.7	$404.5	$367.1	$1,497.6	$1,396.4
Adjustments to gross profit:					
Charge for fair value mark-up of acquired inventory sold[t*]	—	—	—	—	61.9
Restructuring costs[g *]	—	—	0.8	8.2	—
Adjusted gross profit	$344.7	$404.5	$367.9	$1,505.8	$1,458.3
Gross margin – as a % of net sales	42.4%	42.8%	41.3%	42.5%	42.5%
Adjusted gross margin – as a % of net sales	42.4%	42.8%	41.4%	42.7%	44.4%

*See footnotes section for reference. As a result of displaying amounts in millions, rounding differences may exist in the tables in this section.

Reconciliation of GAAP Operating Expenses and Tax Rate to Non-GAAP Operating Expenses and Tax Rate

	Three months ended			Twelve months ended	
$ in millions	December 31, 2023	December 31, 2022	September 30, 2023	December 31, 2023	December 31, 2022
GAAP operating expenses	$243.7	$260.7	$250.0	$998.4	$916.4
Adjustments to operating expenses:					
Goodwill impairment [a]*	10.4	—	15.9	115.2	—
Deal and transaction costs [b]*	—	0.3	—	3.0	39.5
Integration costs:					—
Professional fees [c]*	4.6	13.7	6.8	36.7	35.4
Severance costs [d]*	(0.4)	2.3	(0.5)	1.5	6.3
Retention costs [e]*	—	0.5	—	1.7	2.0
Other costs [f]*	3.6	2.1	3.9	13.7	7.1
Contractual and non-cash integration costs:					
CMC Materials retention [o]*	—	3.5	—	—	18.0
Stock-based compensation alignment [p]*	—	—	—	—	21.6
Change in control costs [q]*	—	—	—	—	22.4
Restructuring costs [g]*	2.3	—	0.6	6.6	—
(Gain) loss from the sale of businesses [h]*	(4.7)	(0.3)	—	23.8	(0.3)
Impairment on long-lived assets [x]*	30.5	—	—	30.5	—
Amortization of intangible assets [i]*	51.0	53.5	51.2	214.5	144.0
Gain on termination of Alliance Agreement [w]*	(30.0)	—	—	(184.8)	—
Non-GAAP operating expenses	$176.4	$185.2	$172.1	$736.1	$620.5
GAAP tax rate	(41.9%)	11.9%	(6.8%)	(4.9%)	15.4%
Other	53.6%	0.4%	16.1%	18.5%	0.9%
Non-GAAP tax rate	11.7%	12.3%	9.3%	13.6%	16.3%

*See footnotes section for reference. As a result of displaying amounts in millions, rounding differences may exist in the tables in this section.

Reconciliation of GAAP Net Income to Adjusted Operating Income and Adjusted EBITDA

	Three months ended			Twelve months ended	
$ in millions	December 31, 2023	December 31, 2022	September 30, 2023	December 31, 2023	December 31, 2022
Net sales	$812.3	$946.1	$888.2	$3,523.9	$3,282.0
Net income	38.0	57.4	33.2	180.7	208.9
Net income – as a % of net sales	4.7%	6.1%	3.7%	5.1%	6.4%
Adjustments to net income:					
Income tax (benefit) expense	(11.3)	7.8	(2.1)	(8.4)	38.2
Interest expense, net	62.1	82.0	75.6	301.1	209.0
Other expense (income), net	12.1	(3.4)	10.2	25.4	23.9
Equity in net loss of affiliates	0.1	—	0.1	0.4	—
GAAP – Operating income	$101.0	$143.8	$117.1	$499.2	$480.0
Operating margin – as a % of net sales	12.4%	15.2%	13.2%	14.2%	14.6%
Charge for fair value write-up of acquired inventory sold [t]*	—	—	—	—	61.9
Goodwill impairment [a]*	10.4	—	15.9	115.2	—
Deal and transaction costs [b]*	—	0.3	—	3.0	39.5
Integration costs: Professional fees [c]*	4.6	13.7	6.8	36.7	35.4
Severance costs [d]*	(0.4)	2.3	(0.5)	1.5	6.3
Retention costs [e]*	—	0.5	—	1.7	2.0
Other costs [f]*	3.6	2.1	4.0	13.7	7.1
Contractual and non-cash integration costs:					
CMC Materials retention [o]*	—	3.5	—	—	18.0
Stock-based compensation alignment [p]*	—	—	—	—	21.6
Change in control costs [q]*	—	—	—	—	22.4
Restructuring costs [g]*	2.3	—	1.2	14.7	—
(Gain) loss from the sale of businesses [h]*	(4.7)	(0.3)	—	23.8	(0.3)
Impairment on long-lived assets [x]*	30.5	—	—	30.5	—
Amortization of intangible assets [i]*	51.0	53.5	51.2	214.5	144.0
Gain on termination of Alliance Agreement [W]*	(30.0)	—	—	(184.8)	—
Adjusted operating income	$168.3	$219.4	$195.7	$769.7	$837.9
Adjusted operating margin – as a % of net sales	20.7%	23.2%	22.0%	21.8%	25.5%
Depreciation	42.6	41.9	39.6	172.7	135.4
Adjusted EBITDA	$210.8	$261.2	$235.3	$942.4	$973.2
Adjusted EBITDA – as a % of net sales	26.0%	27.6%	26.5%	26.7%	29.7%

*See footnotes section for reference. As a result of displaying amounts in millions, rounding differences may exist in the tables in this section.

Reconciliation of GAAP Net Income and Diluted Earnings per Common Share to Non-GAAP Net Income and Diluted Non-GAAP Earnings per Common Share

	Three months ended			Twelve months ended	
$ in millions, except per share data	December 31, 2023	December 31, 2022	September 30, 2023	December 31, 2023	December 31, 2022
GAAP net income	$38.0	$57.4	$33.2	$180.7	$208.9
Adjustments to net income:					
Charge for fair value write-up of inventory sold [t]*	—	—	—	—	61.9
Goodwill impairment [a]*	10.4	—	15.9	115.2	—
Deal and transaction costs [b]*	—	0.3	—	3.0	39.5
Integration costs: Professional fees [c]*	4.6	13.7	6.8	36.7	35.4
Severance costs [d]*	(0.4)	2.3	(0.5)	1.5	6.3
Retention costs [e]*	—	0.5	—	1.7	2.0
Other costs [f]*	3.6	2.1	4.0	13.7	7.1
Contractual and non-cash integration costs:					
CMC Materials retention [o]*	—	3.5	—	—	18.0
Stock-based compensation alignment [p]*	—	—	—	—	21.6
Change in control costs [q]*	—	—	—	—	22.4
Restructuring costs [g]*	2.3	—	1.2	14.7	—
(Gain) loss from the sale of businesses [h]*	(4.7)	(0.3)	—	23.8	(0.3)
Impairment on long-lived asset [x]*	30.5	—	—	30.5	—
Amortization of intangible assets [i]*	51.0	53.5	51.2	214.5	144.0
Loss on extinguishment of debt and modification [k]*	17.0	1.1	4.5	29.9	3.3
Infineum termination fee, net [l]*	—	—	—	(10.9)	—
Interest expense, net [m]*	—	—	—	—	29.8
Tax effect of adjustments to net income (loss) and discrete items [n]*	(24.3)	(9.6)	(12.8)	(71.3)	(65.7)
Gain on sale of termination of Alliance Agreement [w]*	(30.0)	—	—	(184.8)	—
Non-GAAP net income	$97.9	$124.5	$103.6	$398.9	$534.2
Diluted earnings per common share	$0.25	$0.38	$0.22	$1.20	$1.46
Effect of adjustments to net income	$0.39	$0.45	$0.46	$1.45	$2.27
Diluted non-GAAP earnings per common share	$0.65	$0.83	$0.68	$2.64	$3.73
Weighted average diluted shares outstanding	151.3	149.9	151.2	150.9	143.1

*See footnotes section for reference. As a result of displaying amounts in millions, rounding differences may exist in the tables in this section.

Entegris

Reconciliation of GAAP Outlook to Non-GAAP Outlook

$ in millions	First-Quarter Outlook
Reconciliation GAAP operating expenses to non-GAAP operating expenses:	March 30, 2024
GAAP operating expenses	$230 – $233
Adjustments to net income:	
Deal, transaction and integration costs	8
Amortization of intangible assets	51
Non-GAAP operating expenses	$171 – $174

$ in millions	First-Quarter Outlook
Reconciliation GAAP net income to non-GAAP net income:	March 30, 2024
GAAP net income	$42 – $49
Adjustments to net income:	
Deal, transaction and integration costs	8
Amortization of intangible assets	51
Income tax effect	(10)
Non-GAAP net income	$91 – $98

	First-Quarter Outlook
Reconciliation GAAP diluted earnings per share to non-GAAP diluted earnings per share:	March 30, 2024
Diluted earnings per common share	$0.28 – $0.33
Adjustments to diluted earnings per common share:	
Deal, transaction and integration costs	0.05
Amortization of intangible assets	0.34
Income tax effect	(0.07)
Diluted non-GAAP earnings per common share	$0.60 – $0.65

Entegris

Reconciliation of GAAP Outlook to Non-GAAP Outlook (continued)

$ in millions	First-Quarter Outlook
Reconciliation GAAP Operating Margin to non-GAAP Operating Margin and Adjusted EBITDA Margin	March 30, 2024
Net sales	$770 – $790
GAAP – Operating income	$101 – $115
Operating margin – as a % of net sales	13% – 15%
Deal, transaction and integration costs	8
Amortization of intangible assets	51
Adjusted operating income	$160 – $174
Adjusted operating margin – as a % of net sales	21% – 22%
Depreciation	44
Adjusted EBITDA	$204 – $217
Adjusted EBITDA – as a % of net sales	26.5% – 27.5%

Reconciliation of Proforma Segment Trend Data to Non-GAAP Unaudited[1,2]

$ in millions	Q122	Q222	Q322	Q422	FY2022	Q123	Q223	Q323	Q423	FY2023
Adjusted MS segment sales:										
MS segment Sales	$520.5	$530.7	$518.1	$458.0	$2,027.3	$448.3	$440.7	$435.5	$365.0	$1,689.5
Removal of wood treatment sales r *	(10.9)	(0.2)	—	—	(11.1)	—	—	—	—	—
MS adjusted segment sales	$509.6	$530.5	$518.1	$458.0	$2,016.2	$448.3	$440.7	$435.5	$365.0	$1,689.5

1. During the three months ended September 30, 2023, the Company realigned its financial reporting structure reflecting management and organizational changes. The Company will report its financial performance based on three reportable segments: Materials Solutions (MS), Microcontamination Control (MC) and Advanced Material Handling (AMH). The following prior year information has been recast to reflect this realignment
2. The above pro forma results include the addition of CMC Materials Inc.'s (now known as CMC Materials LLC) ("CMC Materials") financials recorded prior to the consummation of the merger with the Company on July 6, 2022 to the Company's reported financials and are provided as a complement to, and should be read in conjunction with, the consolidated financial statements to better facilitate the assessment and measurement of the Company's operating performance. Intercompany sales between the Company and CMC Materials have been eliminated. No other adjustments have been included.
*See footnotes section for reference. As a result of displaying amounts in millions, rounding differences may exist in the tables in this section.

Reconciliation of Proforma Segment Trend Data to Non-GAAP Unaudited[1,2] (continued)

$ in millions	Q122	Q222	Q322	Q422	FY2022	Q123	Q223	Q323	Q423	FY2023
Adjusted Segment Profit:										
MS segment profit	$141.1	$123.0	$53.1	$71.5	$388.7	($29.5)	$215.7	$57.0	$53.2	$296.4
Adjustments for wood treatment [r*]	(7.4)	0.3	—	—	(7.1)	—	—	—	—	—
Impairment of Goodwill [a*]	—	—	—	—	—	88.9	—	15.9	$10.4	$115.2
(Gain) loss from the sale of businesses [h*]	—	—	—	—	—	13.6	14.9	—	(4.7)	23.8
Charge for fair value write-up of acquired inventory sold [t*]			61.9		61.9	—	—	—	—	—
Severance – Restructuring [g*]	—	—	—	—	—	7.1	—	0.5	1.6	9.3
Gain on sale of termination of alliance agreement [w*]	—	—	—	—	—	—	(154.8)	—	(30.0)	(184.8)
Impairment on long-lived assets [x*]	—	—	—	—	—	—	—	—	30.5	30.5
Other adjustments [j*]	(10.3)	(7.0)	—	(0.3)	(17.6)	—	—	—	30.5	30.5
MS adjusted segment profit	123.4	116.3	115.0	71.2	425.9	80.1	75.8	73.4	61.0	290.4
MC segment Profit	98.6	100.1	105.3	107.4	411.4	96.0	100.7	101.1	97.6	395.3
Severance – Restructuring [g*]	—	—	—	—	—	2.8	—	0.2	0.2	3.2
MC adjusted segment profit	$98.6	$100.1	$105.3	$107.4	$411.4	$98.8	$100.7	$101.3	$97.7	$398.5
AMH segment Profit	46.7	46.9	42.1	48.0	183.7	48.2	35.8	31.6	20.5	136.1
Severance – Restructuring [g*]	—	—	—	—	—	1.2	—	0.5	0.1	1.8
AMH adjusted segment profit	$46.7	$46.9	$42.1	$48.0	$183.7	$49.4	$35.8	$32.1	$20.6	$137.9

1. During the three months ended September 30, 2023, the Company realigned its financial reporting structure reflecting management and organizational changes. The Company will report its financial performance based on three reportable segments: Materials Solutions (MS), Microcontamination Control (MC) and Advanced Material Handling (AMH). The following prior year information has been recast to reflect this realignment
2. The above pro forma results include the addition of CMC Materials Inc.'s (now known as CMC Materials LLC) ("CMC Materials") financials recorded prior to the consummation of the merger with the Company on July 6, 2022 to the Company's reported financials and are provided as a complement to, and should be read in conjunction with, the consolidated financial statements to better facilitate the assessment and measurement of the Company's operating performance. Intercompany sales between the Company and CMC Materials have been eliminated. No other adjustments have been included.
*See footnotes section for reference. As a result of displaying amounts in millions, rounding differences may exist in the tables in this section.

Entegris

Reconciliation of Proforma Segment Trend Data to Non-GAAP Unaudited[1,2] (continued)

$ in millions	Q122	Q222	Q322	Q422	FY2022	Q123	Q223	Q323	Q423	FY2023
Unallocated expenses	$20.2	$17.6	$9.3	$7.3	$54.4	$43.6	$29.9	$21.4	$19.2	$114.2
Other adjustments [j] *	(0.3)	(0.1)	(0.1)	(0.1)	(0.6)	(0.1)	—	—	(0.4)	(0.5)
Deal, transaction, and integration costs [o] *	—	—	—	—	—	(20.0)	(18.4)	(10.3)	(7.8)	(56.5)
Adjusted unallocated expenses	$19.9	$17.5	$9.2	$7.2	$53.8	$23.5	$11.5	$11.1	$11.0	$57.2
Total Adjusted Segment Profit	$268.7	$263.3	$262.4	$226.6	$1,021.0	$228.3	$212.4	$206.8	$179.3	$826.9
Adjusted unallocated expenses	19.9	17.5	9.2	7.2	53.8	23.5	11.5	11.1	11.0	57.2
Total adjusted operating Income	$248.8	$245.8	$253.2	$219.4	$967.2	$204.8	$200.9	$195.7	$168.3	$769.7

1. During the three months ended September 30, 2023, the Company realigned its financial reporting structure reflecting management and organizational changes. The Company will report its financial performance based on three reportable segments: Materials Solutions (MS), Microcontamination Control (MC) and Advanced Material Handling (AMH). The following prior year information has been recast to reflect this realignment
2. The above pro forma results include the addition of CMC Materials Inc.'s (now known as CMC Materials LLC) ("CMC Materials") financials recorded prior to the consummation of the merger with the Company on July 6, 2022 to the Company's reported financials and are provided as a complement to, and should be read in conjunction with, the consolidated financial statements to better facilitate the assessment and measurement of the Company's operating performance. Intercompany sales between the Company and CMC Materials, Inc have been eliminated. No other adjustments have been included.
*See footnotes section for reference. As a result of displaying amounts in millions, rounding differences may exist in the tables in this section.

Entegris

Reconciliation of Proforma Net Sales to Proforma Non-GAAP Net Sales

$ in millions	Q122	Q222	Q322	Q422	FY2022	Q123	Q223	Q323	Q423	FY2023
Proforma net sales [1]	$969.1	$1,011.9	$993.8	$946.1	$3,920.9	$922.4	$901.0	$888.2	$812.3	$3,523.9
Removal of Wood treatment [r*]	(10.9)	(0.2)	—	—	(11.1)	—	—	—	—	—
Proforma Non-GAAP net sales	$958.2	$1,011.7	$993.8	$946.1	$3,909.8	$922.4	$901.0	$888.2	$812.3	$3,523.9

Reconciliation of Proforma Gross Profit to Proforma Adjusted Gross Profit

$ in millions	Q122	Q222	Q322	Q422	FY2022	Q123	Q223	Q323	Q423	FY2023
Proforma Gross Margin	$438.0	$428.8	$371.7	$404.5	$1,643.0	$401.7	$384.2	$367.1	$344.7	$1,497.6
Proforma Gross Margin -as a % of GAAP net sales	45.7%	42.4%	37.4%	42.8%	41.9%	43.5%	42.6%	41.3%	42.4%	42.5%
Inventory step-up [t*]	—	—	61.9	—	61.9	—	—	—	—	—
Wood treatment [r*]	(7.4)	0.3	—	—	(7.1)	—	—	—	—	—
Incremental Depreciation expense [s*]	(4.5)	(4.5)	—	—	(9.0)	—	—	—	—	—
Restructuring costs [g*]	—	—	—	—	—	7.4	—	0.8	—	8.2
Proforma Non-GAAP gross margin	$426.1	$424.6	$433.6	$404.5	$1,688.8	$409.1	$384.2	$367.9	$344.7	$1,505.8
Proforma Gross Margin – as a % of Non-GAAP net sales	44.5%	42.0%	43.6%	42.8%	43.2%	44.3%	42.6%	41.4%	42.4%	42.7%

1. The above pro forma results include the addition of CMC Materials Inc.'s (now known as CMC Materials LLC) ("CMC Materials") financials recorded prior to the consummation of the merger with the Company on July 6, 2022 to the Company's reported financials and are provided as a complement to, and should be read in conjunction with, the consolidated financial statements to better facilitate the assessment and measurement of the Company's operating performance. Intercompany sales between the Company and CMC Materials have been eliminated. No other adjustments have been included.

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Reconciliation of Proforma Operating Expenses and Tax Rate to Proforma Non-GAAP Operating Expenses and Non-GAAP Tax Rate

$ in millions	Q122	Q222	Q322	Q422	FY2022	Q123	Q223	Q323	Q423	FY2023
Proforma Operating Expense	218.2	226.9	356.8	260.7	1,062.6	388.2	116.6	250.0	243.7	998.4
Goodwill impairment [a]*	—	—	—	—	—	88.9	—	15.9	10.4	115.2
Deal and transaction costs [b]*	17.3	12.1	31.9	0.3	61.6	3.0	—	—	—	3.0
Integration costs: Professional fees [c]*	0.7	9.5	11.4	13.7	35.3	12.0	13.3	6.8	4.6	36.7
Severance costs [d]*	—	—	4.0	2.3	6.3	1.4	1.0	(0.5)	(0.4)	1.5
Retention costs [e]*	—	—	1.5	0.5	2.0	1.3	0.4	—	—	1.7
Other costs [f]*	—	0.7	3.9	2.1	6.7	2.3	3.9	3.9	3.6	13.7
Contractual and non-cash integration costs:										
CMC Materials retention [o]*	—	—	14.5	3.5	18.0	—	—	—	—	—
Stock-based compensation alignment [p]*	—	—	21.6	—	21.6	—	—	—	—	—
Change in control costs [q]*	—	—	22.3	—	22.3	—	—	—	—	—
Restructuring costs [g]*	—	—	—	—	—	3.8	—	0.6	2.3	6.6
(Gain) loss from the sale of businesses [h]*	—	—	—	(0.3)	(0.3)	13.6	14.9	—	(4.7)	23.8
Impairment on long-lived assets [x]*	—	—	—	—	—				30.5	30.5
Amortization of intangible assets [i]*	28.5	28.3	65.3	53.5	175.6	57.6	54.7	51.2	51.0	214.5
Other [j]*	(3.2)	—	—	—	(3.2)	—	—	—	—	—
Incremental depreciation expense [s]*	(2.5)	(2.5)	—	—	(5.0)	—	—	—	—	—
Gain on termination of Alliance Agreement [w]*	—	—	—	—	—	—	(154.8)	—	(30.0)	(184.8)
Proforma Non-GAAP Operating Expense	$177.4	$178.8	$180.4	$185.2	$721.7	$204.3	$183.2	$172.1	$176.4	$736.1

	Q122	Q222	Q322	Q422	FY2022	Q123	Q223	Q323	Q423	FY2023
GAAP tax rate	16.1%	24.8%	8.7%	11.9%	21.5%	(32.2%)	(9.1%)	(6.8%)	(41.9%)	(4.9%)
Other	(0.8%)	(1.9%)	12.5%	0.4%	(3.4%)	49.1%	25.4%	16.1%	53.6%	18.5%
Non-GAAP tax rate	15.3%	22.9%	21.2%	12.3%	18.1%	16.9%	16.3%	9.3%	11.7%	13.6%

*See footnotes section for reference. As a result of displaying amounts in millions, rounding differences may exist in the tables in this section.

Reconciliation of Proforma Net Income to Proforma Adjusted Operating Income and Adjusted EBITDA

$ in millions	Q122	Q222	Q322	Q422	FY2022	Q123	Q223	Q323	Q423	FY2023
Net sales	$969.1	$1,011.9	$993.8	$946.1	$3,920.9	$922.4	$901.0	$888.2	$812.3	$3,523.9
Net income (loss)	160.3	140.1	(73.7)	57.4	284.1	(88.2)	197.6	33.2	38.0	180.7
Net income (loss) – as a % of proforma GAAP net sales	16.5%	13.8%	(7.4%)	6.1%	7.2%	(9.6%)	21.9%	3.7%	4.7%	5.1%
Adjustments to net income (loss):										
Income tax expense (benefit)	30.9	46.3	(7.0)	7.8	78.0	21.5	(16.5)	(2.1)	(11.3)	(8.4)
Interest expense, net	22.4	5.7	82.8	82.0	192.9	84.8	78.6	75.6	62.1	301.1
Other expense (income), net	6.3	9.8	12.9	(3.5)	25.5	(4.6)	8.0	10.3	12.1	25.4
Equity in net loss of affiliates	—	—	—	—	—	—	0.1	0.1	0.1	0.4
Operating Income	$219.9	$201.9	$14.9	$143.8	$580.5	$13.5	$267.6	$117.1	$101.0	$499.2
Operating Income – as a % of proforma net sales	22.7%	20.0%	1.5%	15.2%	14.8%	1.5%	29.7%	13.2%	12.4%	14.2%
Amortization of intangible assets [I*]	28.5	28.3	65.3	53.5	175.6	57.6	54.7	51.2	51.0	214.5
Depreciation	40.8	41.1	45.2	41.9	168.9	46.8	43.8	39.6	42.6	172.7
Adjusted EBITDA	$289.2	$271.3	$125.4	$239.1	$925.0	$117.9	$366.0	$207.9	$194.6	$886.4
Adjusted EBITDA as a % of proforma net sales	29.8%	26.8%	12.6%	25.3%	23.6%	12.8%	40.6%	23.4%	24.0%	25.2%

*See footnotes section for reference. As a result of displaying amounts in millions, rounding differences may exist in the tables in this section.

Reconciliation of Proforma Net Income to Proforma Adjusted Operating Income Non-GAAP and Adjusted EBITDA Non-GAAP

$ in millions	Q122	Q222	Q322	Q422	FY2022	Q123	Q223	Q323	Q423	FY2023
Proforma Operating Income	$219.9	$201.9	$14.9	$143.8	$580.5	$13.5	$267.6	$117.1	$101.0	$499.2
Proforma Operating Income – as a % of proforma net sales	22.7%	20.0%	1.5%	15.2%	14.8%	1.5%	29.7%	13.2%	12.4%	14.2%
Wood treatment (net margin impact) [r]*	(7.4)	0.3	—	—	(7.1)	—	—	—	—	—
Charge for fair value write-up of acquired inventory sold [t]*	—	—	61.9	—	61.9	—	—	—	—	—
Goodwill impairment [a]*	—	—	—	—	—	88.9	—	15.9	10.4	115.2
Deal and transaction costs [b]*	17.3	12.1	31.9	0.3	61.6	3.0	—	—	—	3.0
Integration costs: Professional fees [c]*	0.7	9.5	11.4	13.7	35.3	12.0	13.3	6.8	4.6	36.7
Severance costs [d]*	—	—	4.0	2.3	6.3	1.4	1.0	(0.5)	(0.4)	1.5
Retention costs [e]*	—	—	1.5	0.5	2.0	1.3	0.4	—	—	1.7
Other costs [f]*	—	0.7	3.9	2.1	6.7	2.3	3.8	4.0	3.6	13.7
Contractual and non-cash integration costs										
CMC Materials retention [o]*	—	—	14.5	3.5	18.0	—	—	—	—	—
Stock-based compensation alignment [p]*	—	—	21.6	—	21.6	—	—	—	—	—
Change in control costs [q]*	—	—	22.3	—	22.3	—	—	—	—	—
Restructuring costs [g]*	—	—	—	—	—	11.2	—	1.2	2.3	14.7
(Gain) loss from the sale of businesses [h]*	—	—	—	(0.3)	(0.3)	13.6	14.9	—	—	23.8
Impairment on long-lived assets [x]*									30.5	30.5
Amortization of intangible assets [i]*	28.5	28.3	65.3	53.5	175.6	57.6	54.7	51.2	51.0	214.5
Other [j]*	(3.2)	—	—	—	(3.2)	—	—	—	—	—
Incremental depreciation expense [s]*	(7.0)	(7.0)	—	—	(14.0)	—	—	—	—	—
Gain on sale of termination of Alliance Agreement [w]	—	—	—	—	—	—	(154.8)	—	(30.0)	(184.8)
Proforma Operating Income – Non-GAAP	$248.8	$245.8	$253.2	$219.4	$967.2	$204.8	$200.9	$195.7	$168.3	$769.7
Proforma Non-GAAP Operating Income – as a % of proforma Non-GAAP net sales	26.0%	24.3%	25.5%	23.2%	24.7%	22.2%	22.3%	22.0%	20.7%	21.8%
Depreciation	47.8	48.2	45.2	41.9	183.1	46.8	43.7	39.6	42.6	172.7
Adjusted EBITDA	$296.6	$294.0	$298.4	$261.3	$1,150.3	$251.6	$244.6	$235.3	$210.8	$942.4
Adjusted EBITDA as a % of proforma Non-GAAP net sales	30.6%	29.1%	30.0%	27.6%	29.3%	27.3%	27.2%	26.5%	26.0%	26.7%

*See footnotes section for reference. As a result of displaying amounts in millions, rounding differences may exist in the tables in this section.

Reconciliation of Proforma Net Income and Diluted EPS to Proforma Non-GAAP Net Income and Diluted Non-GAAP EPS

$ in millions, except per share data	Q122	Q222	Q322	Q422	FY2022	Q123	Q223	Q323	Q423	FY2023
Proforma Net Income (Loss)	$160.3	$140.1	($73.7)	$57.4	$284.1	($88.2)	$197.6	$33.2	$38.0	$180.7
Adjustments to Proforma Net Income (Loss):										
Charge for fair value write-up of acquired inventory sold [t*]	—	—	61.9	—	61.9	—	—	—	—	—
Goodwill impairment [a*]	—	—	—	—	—	88.9	—	15.9	10.4	115.2
Deal and transaction costs [b*]	17.3	12.1	31.9	0.3	61.6	3.0	—	—	—	3.0
Integration costs: Professional fees [c*]	0.7	9.5	11.4	13.7	35.3	12.0	13.3	6.8	4.6	36.7
Severance costs [d*]	—	—	4.0	2.3	6.3	1.4	1.0	(0.5)	(0.4)	1.5
Retention costs [e*]	—		1.5	0.5	2.0	1.3	0.4	—	—	1.7
Other costs [f*]	—	0.7	3.9	2.1	6.7	2.4	3.8	4.0	3.6	13.7
Contractual and non-cash integration costs										—
CMC Materials retention [o*]	—	—	14.5	3.5	18.0	—	—	—	—	—
Stock-based compensation alignment [p*]	—	—	21.6	—	21.6	—	—	—	—	—
Change in control costs [q*]	—	—	22.3	—	22.3	—	—	—	—	—
Restructuring costs [g*]	—	—	—	—	—	11.2	—	1.2	2.3	14.7
(Gain) loss from the sale of businesses [h*]	—	—	—	—	—	13.6	14.9	—	(4.7)	23.8
Impairment on long-lived assets [x*]	—	—	—	—	—	—	—	—	30.5	30.5
Amortization of intangible assets [i*]	28.5	28.3	65.3	53.5	175.6	57.6	54.7	51.2	51.0	214.5
Loss on extinguishment of debt and modification [k*]	—	—	2.2	1.1	3.3	3.9	4.5	4.5	17.0	29.9
Infineum termination fee, net [l*]	—	—	—	—	—	(10.9)	—	—	—	(10.9)
Interest expense, net [m*]	4.7	22.7	2.4	—	29.8	—	—	—	—	—
Other [j*]	(3.2)	—	—	(0.3)	(3.5)	—	—	—	—	—
Interest rate swap gain [v*]	—	(35.0)	—	—	(35.0)	—	—	—	—	—
Wood treatment (net margin affect) [r*]	(7.4)	0.3	—	—	(7.1)	—	—	—	—	—
Incremental interest expense [u*]	(62.3)	(62.3)	—	—	(124.6)	—	—	—	—	—
Incremental depreciation expense [s*]	(7.0)	(7.0)	—	—	(14.0)	—	—	—	—	—
Gain on sale of termination of Alliance Agreement [w*]	—	—	—	—	—	—	(154.8)	—	(30.0)	(184.8)
Tax effect of adjustments to net income (loss) and discrete items [n*]	6.0	10.6	(41.5)	(9.6)	(34.5)	1.6	(35.8)	(12.8)	(24.3)	(71.3)
Proforma Non-GAAP net income	$137.6	$120.0	$127.8	$124.5	$509.9	$97.8	$99.6	$103.6	$97.9	$398.9
Diluted earnings (loss) per common share	$1.06	$0.93	($0.50)	$0.38	$1.89	($0.59)	$1.31	$0.22	$0.25	$1.20
Effect of adjustments to net income	($0.15)	($0.13)	$1.35	$0.45	$1.50	$1.24	($0.65)	$0.46	$0.39	$1.45
Diluted non-GAAP earnings per common share	$0.91	$0.80	$0.85	$0.83	$3.39	$0.65	$0.66	$0.68	$0.65	$2.64
Weighted average diluted shares outstanding – Proforma	150.8	150.7	148.6	149.9	150.3	149.4	150.8	151.2	151.3	150.9
Weighted average diluted shares outstanding – Proforma Non-GAAP	150.8	150.7	149.7	149.9	150.3	150.4	150.8	151.2	151.3	150.9

*See footnotes section for reference. As a result of displaying amounts in millions, rounding differences may exist in the tables in this section.

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Footnotes

a. Non-cash impairment charges associated with goodwill.
b. Non-recurring deal and transaction costs associated with the CMC Materials acquisition and completed and announced divestitures.
c. Represents professional and vendor fees recorded in connection with services provided by consultants, accountants, lawyers and other third-party service providers to assist us in integrating CMC Materials into our operations.
d. Represents severance charges related to the integration of the CMC Materials acquisition.
e. Represents retention charges related directly to the CMC Materials acquisition and completed and announced divestitures, and are not part of our normal, recurring cash operating expenses.
f. Represents other employee related costs and other costs incurred relating to the CMC Materials acquisition and completed and announced divestitures. These costs arise outside of the ordinary course of our continuing operations.
g. Restructuring charges resulting from cost-saving initiatives.
h. Non-recurring loss (gain) from the sale of businesses.
i. Non-cash amortization expense associated with intangibles acquired in acquisitions.
j. Other miscellaneous adjustments.
k. Non-recurring loss on extinguishment of debt and modification of our debt.
l. Non-recurring gain from the termination fee with Infineum.
m. Non-recurring interest costs related to the financing of the CMC Materials acquisition.
n. The tax effect of pre-tax adjustments to net income (loss) was calculated using the applicable marginal tax rate for each respective year.
o. Represents non-recurring costs associated with the CMC Materials retention program that was agreed upon and set forth in the definitive acquisition agreement.
p. Represents the non-cash incremental expense associated with adopting retirement vesting obligations on Entegris equity awards, similar to those of CMC Materials equity awards.
q. Relates to the change in control agreements that were in place with management of CMC Materials prior to the acquisition and the associated expense post-acquisition.
r. The adjustment relates to removal of net sales or net margin related to CMC Materials wood treatment business. Prior to the acquisition of CMC Materials, CMC Materials operated a wood treatment business, which manufactured and sold wood treatment preservatives for utility poles and crossarms. CMC Materials exited this business during the first half of 2022, prior to our acquisition of CMC Materials. The wood treatment business had no ongoing sales at the time of acquisition and removed for comparable purposes.
s. Represents the preliminary pro forma adjustment to recognize changes to straight-line depreciation expense resulting from the fair value adjustments to acquired property, plant, and equipment. The preliminary fair value of the property, plant and equipment may not represent the actual value of the property, plant and equipment when the Merger is completed resulting in a potential difference in straight-line depreciation expense, and that difference may be material.
t. Represents the additional cost of goods sold recognized in connection with the step-up of inventory valuation. Entegris will recognize the increased value of inventory in cost of sales as the inventory is sold, which for purposes of these pro forma presentation is assumed to occur within the first quarter of 2021 based on inventory turns and is non-recurring in nature.
u. Interest expense on the new debt raised to fund in part the consideration paid to effect the Merger using the effective interest rates.
v. The elimination of interest expense, net of the gain on the termination of two swap instruments which were terminated on June 24, 2022 associated with the extinguished CMC Materials debt outstanding.
w. Gain on termination of Alliance Agreement with MacDermid Enthone.
x. Impairment of long-lived assets.

Entegris Fourth Quarter 2023 Earnings Commentary

February 13, 2024

SAFE HARBOR

Comments within include some forward-looking statements. These statements involve a number of risks and uncertainties, and actual results could differ materially from those projected in the forward-looking statements. Additional information regarding these risks and uncertainties is contained in our most recent annual report and subsequent quarterly reports that we have filed with the SEC. Please also refer to the information on the disclaimer slide in the presentation.

In this document we will also refer to non-GAAP financial measures as defined by the SEC in Regulation G. You can find a reconciliation table in today's news release as well as on our IR page of our website at entegris.com.

BERTRAND LOY (PRESIDENT AND CEO):

FOURTH QUARTER HIGHLIGHTS

In an industry environment that was challenging, the Entegris team delivered results that were in line with or better than our guidance, and we made good progress on all of our key commitments.

For the fourth quarter:

- Sales of $812 million were above our guidance. This strong performance was driven by our MS and MC divisions, and specifically by CMP slurries and pads and liquid filtration products.
- Both gross margin and EBITDA margin were within our guidance.
- And non-GAAP EPS was above our guidance.

2023 FINANCIAL HIGHLIGHTS

We are very pleased with the quality of our execution in 2023. Looking at the full year 2023, we outperformed the market by 6 points. This above-market growth was driven in large part by our strong position at the leading-edge technology nodes and the backlog we had entering the year.

We were particularly pleased with the performance of our MC division, which was up 2 percent in 2023, despite a double-digit decline in the overall market. This strong performance was driven by our liquid filtration and gas purification product platforms, continuing to validate the increasing importance of materials purity for our customers.

From a profitability point of view, our model showed strong resilience last year in a weak industry environment. EBITDA margin was 27 percent for the year even with our continued significant investments in R&D, which are critical to winning positions in new technology nodes and to sustaining our long-term outperformance.

2023 OTHER HIGHLIGHTS

I would like to highlight other key accomplishments the team had in 2023:

First was the integration of CMC Materials. Thanks to the great effort of our team, the integration was completed in record time, 13 months post close, resulting in achieving our $75 million cost synergy target.

Debt paydown is a high priority for us and divestitures of non-core assets are a lever we have used to significantly reduce our debt levels. Last year we paid down $1.3 billion in debt, $1.1 billion of the debt reduction was from the proceeds of three divestitures: QED, Electronic Chemicals, and the business we sold to Element Solutions. As we mentioned last quarter, we are working on the sale of the PIM business. The sales process remains ongoing, and we will provide an update when we have more to share.

In 2023, we started initial production at our new manufacturing facility in Taiwan, and we are on track to ramp up to higher volumes of production during the second half of 2024. Last year we also broke ground on our new Colorado facility. We believe that this project is squarely in-line with the goals of the U.S. CHIPS Act, and we look forward to continuing our engagement with the CHIPS Program Office. These two investments in capacity are vital for us to fully realize our long-term growth potential.

In the second half of 2023, we combined the SCEM and APS divisions into one division called Materials Solutions. MS will provide our customers with the opportunity to leverage our end-to-end capabilities, which we believe will accelerate their roadmaps by reducing their time to yield, provide better device performance, and superior cost of ownership.

2024 OUTLOOK

As we enter 2024, inventories of semiconductors have largely normalized, end demand has stabilized in most segments, and we expect a gradual market recovery throughout the year.

With this as a backdrop, and based on recent customers' forecasts, for the full year 2024, we expect the market (based on the combination of our unit and CapEx mix) will be up 4 percent. We believe that this is a prudent view of the industry at this early stage of the year, until we see more concrete evidence of a sustained market recovery.

In addition, given our strong position in new logic and memory nodes, we expect to outperform the market by 4 to 5 points, within our targeted outperformance range.

Putting it all together, we expect our sales in 2024 will be approximately $3.5 billion, we expect EBITDA to be approximately 29 percent of revenue and non-GAAP EPS will be greater than $3.25.

And to be clear, this guidance includes the PIM business for all of 2024.

LINDA LAGORGA (CFO):

FOURTH QUARTER P&L COMMENTARY

Our sales in the fourth quarter were above our guidance at $812 million. Sales were down 14 percent year-over-year and down 9 percent sequentially, on an as-reported basis.

As a reminder, Q4 sales did not include the Electronic Chemicals business that we sold on October 2nd, and only included a minimal amount from the business we sold to Element Solutions. Excluding the impact of those divestitures, Q4 sales were up 2 percent sequentially.

Foreign exchange negatively impacted revenue by approximately $3 million year-over-year and negatively impacted revenue by $1 million sequentially in Q4.

Gross margin on a GAAP and non-GAAP basis was 42.4 percent in the fourth quarter, in line with our guidance. The higher margin compared to Q3 reflects the positive impact of the divestitures.

Operating expenses on a GAAP basis were $244 million in Q4. Operating expenses on a non-GAAP basis in Q4 were $176 million, above our guidance range. This was primarily driven by higher variable compensation expenses and a $3 million contribution made to the Entegris

Foundation, which funds STEM scholarships for women and individuals from underrepresented communities.

Adjusted EBITDA in Q4 was $211 million or 26 percent of revenue, at the low end of our guidance range, driven by the higher OpEx that I outlined above.

The negative GAAP tax rate in Q4 was driven by divestiture activity. The non-GAAP tax rate was 12 percent.

GAAP diluted EPS was 25 cents per share in the fourth quarter. Non-GAAP EPS was 65 cents per share, above our guidance, driven primarily by higher sales.

DIVISIONAL COMMENTARY

Sales for Materials Solutions in Q4 were $365 million. Sales were down 16 percent sequentially, on an as reported basis. Excluding the impact of the divestiture of Electronic Chemicals and the sale of the business to Element Solutions, sales were up 6 percent. This growth was driven by higher sales of CMP slurries and pads and Advanced Deposition Materials. Adjusted (as reported) operating margin for MS was 16.7 percent for the quarter, essentially flat sequentially.

AMH sales in Q4 of $169 million were down 6 percent sequentially. The primary drivers of the sequential sales decline in AMH were lower sales of sensing and control solutions and fluid handling products. Adjusted operating margin for AMH was 12.2 percent for the quarter. The sequential decline in margin was primarily driven by lower sales and higher variable compensation expenses.

MC sales in the quarter of $288 million were up 1 percent sequentially. The sequential growth was driven by continuing strength in liquid filtration and another record quarter in gas purification. Adjusted operating margin for MC was 33.9 percent for the quarter. The sequential decline in margin was primarily driven by the impact of inventory reductions and the anticipated inefficiencies related to the ramp of our facility in Taiwan.

CASH FLOW

We continue to be committed to improving free cash flow and we have put a lot of focus on lowering inventory to that end. Excluding reductions from divestitures, we decreased our total inventory, by approximately $135 million, exceeding our $100 million goal for the year.

CapEx for the quarter was $129 million and $457 million for all of 2023. We expect to spend approximately $350 million in total CapEx in 2024.

Driven by the higher CapEx, fourth quarter free cash flow was $14 million. Free cash flow was $165 million for all of 2023 and improved from a negative $114 million in 2022. We expect to further improve free cash flow in 2024.

CAPITAL STRUCTURE

During the fourth quarter, we paid down a total of $870 million in debt, more than our guidance of $730 million, through a combination of proceeds from the Electronic Chemicals divestiture, cash on hand, and the balance of the proceeds from the Element transaction.

At the end of Q4, our gross debt was $4.7 billion, and our net debt was $4.2 billion. Gross leverage was 5.0 times and net leverage was 4.5 times. We expect our gross leverage will be below 4 times at the end of 2024.

The blended interest rate on the debt portfolio is approximately 5.1 percent and the proportion of the portfolio that is variable is almost zero.

FIRST QUARTER OUTLOOK

Moving on to our Q1 outlook, which, to be clear, includes the PIM business:

- We expect sales to range from $770 to $790 million.
- We expect the EBITDA margin to be 26.5 to 27.5 percent.
- We expect GAAP EPS to be 28 to 33 cents per share.
- And non-GAAP EPS to be 60 to 65 cents per share.

Let me provide some additional modeling items. For Q1, we expect:

- Gross margin of 43 to 44 percent, both on a GAAP and non-GAAP basis.
- GAAP operating expenses of $230 million to $233 million and non-GAAP operating expenses of $171 million to $174 million.
- Depreciation of approximately $45 million.
- Interest expense of approximately $60 million.
- Non-GAAP tax rate of approximately 15 percent.

BERTRAND LOY (PRESIDENT AND CEO):

In closing,

- We are very pleased with the quality of our execution in 2023.

- Our unit driven model displayed resilience, even during an industry downturn. We outperformed the market by approximately 6 points and maintained healthy EBITDA levels.
- We continued to effectively balance short-term cost management, while making investments for future growth.
- We significantly lowered our debt.
- We maintain a strong conviction in the long-term growth potential of the industry, the growing importance of our value proposition, and our opportunity to significantly outperform the market for the years to come.

As we close…what was a challenging yet rewarding year, I want to take a moment to thank our customers for the trust and confidence they place in Entegris. Additionally, I would also like to thank the Entegris teams around the world for their incredible customer focus and their commitment to excellence in everything we do.